

1655. Also, petition of 19 residents of Salem, Ohio, and vicinity, favoring the appropriation for the radio program, the Voice of America; to the Committee on Appropriations.

1656. Also, petition of 27 citizens of Steubenville, Ohio, favoring legislation designed, in the light of Secretary of State Marshall's proposal, to fulfill the needs of a sound European recovery program; to the Committee on Foreign Affairs.

1657. By Mr. SMITH of Wisconsin: Petition of a group of residents of Racine, Wis., urging passage of S. 265 in its original form and hearings on H. R. 4983; to the Committee on Interstate and Foreign Commerce.

1658. By the SPEAKER: Petition of Mrs. Arthur Bowen, Cassadaga, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1659. Also petition of Mrs. Ismay Belle Dame, St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1660. Also, petition of D. E. Zimmerman, Tallahassee, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1661. Also, petition of E. C. Vest, Lake Worth, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1662. Also, petition of the Brotherhood of Railway and Steamship Clerks, petitioning consideration of their resolution with reference to enactment of the European recovery program; to the Committee on Foreign Affairs.

1663. Also, petition of L. L. Purcell and others, petitioning consideration of their resolution with reference to enactment of H. R. 16 and H. R. 2476; to the Committee on Ways and Means.

1664. Also, petition of the National Guard Association of Massachusetts, petitioning consideration of their resolution with reference to the terms of nondisability retirement bill for the civilian components, H. R. 2744, and urging its enactment; to the Committee on Armed Services.

1665. Also, petition of the Daughters of the American Revolution of Maryland, petitioning consideration of their resolution with reference to bringing the issue of military training to the floor of the House; to the Committee on Rules.

1666. Also, petition of Edwin Rebrig and others, petitioning consideration of their resolution with reference to salary increases to all postal employees; to the Committee on Post Office and Civil Service.

1667. Also, petition of the Committee for Constitutional Government, petitioning consideration of their resolution with reference to reduction in taxes and expenditures; to the Committee on Ways and Means.

Grant that Thy blessings may also become contributions in our hands with which we shall seek to minister to humanity's deep and bitter needs.

Humbly and confidently we would continue to pray and labor for peace and good will among men.

May we never feel that these ideals and principles are merely illusions or that they lie beyond the sphere of practical realization. Deliver us from all cynical tempers of mind, and may nothing eclipse our faith in the Lord God Omnipotent.

Hear us in Christ's name. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 29, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

POSITION OF AMERICAN TARIFF LEAGUE ON EUROPEAN RECOVERY PROGRAM—CORRECTION

Mr. SPARKMAN. Mr. President, on March 13, 1948, while the European recovery program was under discussion in the Senate, I made a few remarks on it and inserted a speech which I had previously delivered. In connection with the speech, I included an appendix which listed various organizations and groups supporting the European recovery program and also a few that were opposed to it. Among those listed as being opposed to it was the American Tariff League.

Following the printing of the list in the RECORD, I had a telegram from Mr. Richard H. Anthony, secretary of the American Tariff League, calling my attention to that inclusion and saying that it was not properly made. I therefore telegraphed him that my information had been received from a statement put out by the American Tariff League's official publication entitled "Topics," dated October 2, 1947, and asked him if his organization was not opposed to the European recovery program to let me know and I should be glad to correct the RECORD. On March 24, 1948, Mr. Anthony wrote me a letter explaining the position of the American Tariff League and requesting that the permanent RECORD be corrected by having the name of his organization withdrawn from that list.

So, Mr. President, I ask unanimous consent that in the permanent RECORD the name of the American Tariff League be deleted from the list of organizations opposed to the European recovery program. I further ask that there be printed at this point in the RECORD the correspondence which I have had with Mr. Anthony relating to this matter, and also a statement contained in the American Tariff League's Topics of October 2, 1947, upon which I based my opinion that the tariff league was opposed to the European recovery program.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The correspondence and the bulletin, Topics, are as follows:

NEW YORK, N. Y., March 22, 1948.

Senator JOHN SPARKMAN,

United States Senate:

On page 2788, CONGRESSIONAL RECORD, March 13, in appendix to insertion of your Civitan Club speech, our organization is listed as opposed to ERP. Please advise by wire collect by what authority our name is used, inasmuch as we are unaware of any statement made by any officer of the league or any action taken by the league itself relating to ERP.

RICHARD H. ANTHONY,
Secretary, the American Tariff League.

WASHINGTON, D. C., March 22, 1948.

Mr. RICHARD H. ANTHONY,
Secretary, the American Tariff League,
New York, N. Y.:

Reurtel. Was informed October 2, 1947, issue of American Tariff League's official publication, Topics, stated: "Even if a new program involving the expenditure of about \$25,000,000,000 during the coming 4 years were submitted to the Congress in January, there does not seem to be the slightest prospect that it would be adopted or that it would restore prosperity and independence to the countries of western Europe or assure the ideals of peace usually associated with the outline." If your organization is not opposed to ERP, I shall be glad to correct the RECORD.

JOHN SPARKMAN,
United States Senator.

THE AMERICAN TARIFF LEAGUE,
New York, N. Y., March 24, 1948.

HON. JOHN SPARKMAN,
Senate Office Building,
Washington, D. C.

DEAR SENATOR SPARKMAN: I very much appreciate your prompt telegraphic reply to my wire yesterday inquiring as to the authority for including the league's name among those organizations listed as opposed to ERP.

I note that your authority is a statement taken from American Tariff League Topics of October 2. You will note that that statement is part of the Washington report of Dr. John Lee Coulter. Dr. Coulter is not an official of the league, and the statements made in his column are personal statements of his of an informational nature sent to members to acquaint them with the latest developments in Washington. His statement made in the October 2 issue, furthermore, relates to the then current proposal for an expenditure of \$25,000,000,000 and, of course, antedates by 2 months the presentation of the ERP proposal by the President.

In view of the fact that no official of the league, to our knowledge, has made any public statement regarding ERP that would place the league on record, and since the league has not by any vote or discussion taken a position on ERP, we respectfully request that you remove the league's name from the list of organizations in the appendix to your remarks of March 13, so that the permanent RECORD will not carry the league's name.

This matter has been brought to our attention from various sources, and it would be helpful if some statement could be made in the RECORD that the league's name was included in the list through a misunderstanding. We shall appreciate anything you can do to rectify this error.

Sincerely yours,
RICHARD H. ANTHONY, Secretary.

SENATE

TUESDAY, MARCH 30, 1948

(Legislative day of Monday, March 29, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou gracious Benefactor, we rejoice that day by day we are the recipients of Thy bountiful providence.

[From the American Tariff League Topics of
October 2, 1947]

WASHINGTON REPORT

(By Dr. John Lee Coulter)

EUROPEAN DISTRESS TAKES SPOTLIGHT

The Marshall plan

Unquestionably the most formidable series of international economic problems have finally been crystallized in what has come to be known as the Marshall plan for relief, rehabilitation, and reconstruction of the countries of western Europe.

Details of the Marshall plan are now available for those who would attempt to really comprehend what is involved. Even if a new program involving the expenditure of about \$25,000,000,000 during the coming 4 years were submitted to the Congress in January, there does not seem to be the slightest prospect that it would be adopted or that it would restore prosperity and independence to the countries of western Europe or assure the ideals of peace usually associated with the outline. The details of this vast program must gradually be unfolded.

During the past 4 months the Labor government of the United Kingdom has been weighing the relative merits of discarding Empire preference systems in favor of a possible increase in American markets resulting from general reductions in tariff rates by this country.

It appears that spokesmen for our State Department were prepared to make maximum concessions to the United Kingdom and all segments of the British Empire in return for a willingness on the part of the British to reduce and gradually eliminate the complex system of Empire preferences. But the British realized that these concessions to the United States must be extended to France, Belgium, Netherlands, Sweden, Switzerland, and other European countries, and eventually to Germany, Austria, and Italy. Furthermore, concessions by the United States would not go to the British Empire alone, but would be extended to all of these other countries.

SUSPENSION OF HENRY J. ZETZER

Mr. CAIN. Mr. President, on Saturday, March 13, Mr. Henry J. Zetzer, regional rent administrator of region III, with headquarters in Cleveland, Ohio, was removed from his official duties and position by the Acting Housing Expediter, Mr. Tighe Woods. Mr. Zetzer was suspended because, in the opinion of Mr. Woods, the regional director had been guilty of endeavoring to influence legislation, and had been unreasonably critical of the Congress. These charges resulted from a confidential memorandum which Mr. Zetzer, under date of February 24, issued to members of his staff who were located throughout the five States which are included within region III. These States are Ohio, Indiana, Kentucky, Michigan, and West Virginia. Excerpts from this confidential memorandum and other comments and papers relating to the dismissal of Mr. Zetzer will be found in recent issues of the CONGRESSIONAL RECORD.

Mr. President, I received a letter yesterday from Mr. Zetzer which he wrote on March 26. He offered an explanation for the conduct which led to his having been suspended by the Acting Housing Expediter. I considered this explanation to be a weird misinterpretation of how a responsible Government official should carry out his assignment.

I hope that every Senator will examine Mr. Zetzer's letter, which I ask unani-

mous consent to have printed at this point in my remarks, together with my reply.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CLEVELAND HEIGHTS, OHIO,
March 26, 1948.

HON. HARRY P. CAIN,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR: On February 24 I sent a confidential letter to my rent directors which has received unfortunate notoriety. I realize that an impersonal reading of such a letter creates a different impression than that given to the recipients, who understand the purpose and know the personal traits of the writer. It is for this reason and out of a sense of Christian duty that I am impelled to offer this explanation. Perhaps this can be best achieved by quoting from a previous letter to the same persons, dated September 9, 1946:

"Again let me make it clear that these letters are intended not to be official statements, literary gems, or an effort to be funny. They are written in odd places during spare moments and necessarily contain all the literary deficiencies, the fallacious ideas, and the human weaknesses of the writer. The only claim I make for them is that they are sincere reflections of my personal thoughts on the present status of the program. I don't particularly care whether you read them, and certainly do not expect you to agree with everything I say, but for heaven's sake don't label them as propaganda."

While some of the statements in my letter of February 24 are undeniably critical of Federal legislative procedures, I want to assure you that they were made without malice and without any thought of giving personal offense. There was no intent on my part to criticize any Senator for questioning or opposing continued rent control. I sincerely believed that I had the right to point out what I regarded as a weakness in our congressional committee organization, namely, placing the burden of drafting legislation on legislators who are not in sympathy with a proposal. If my casual remarks have left any other impression, may I assure you that this was unintentional and that I meant no disrespect to you personally, nor to any other Member of the Senate.

Respectfully,

HENRY J. ZETZER.

MARCH 30, 1948.

Mr. HENRY J. ZETZER,

Cleveland Heights, Ohio.

MY DEAR MR. ZETZER: I have your letter of March 26. It was good of you to write. Because we have never seen or met each other I have absolutely no interest in you in a personal sense. When your confidential memorandum of February 24 came to my attention I referred its contents to the Senate Subcommittee on Rents and Housing and I requested the Acting Housing Expediter to study the memorandum and to state the nature of the action he thought it proper to take. You were advised of that action during the afternoon of the day when the memorandum was first submitted to Mr. Woods. I have considered the action taken by Mr. Woods to be both reasonable and fair.

It would serve no purpose for us to discuss the reasons which caused you to write the memorandum in question. In my considered opinion the position taken in your letter of March 26 is completely untenable. It simply isn't possible for you as an individual to disassociate yourself from your official position. Any confidential memorandum which is written to subordinates within an executive agency must be construed to represent the writer's official position and

point of view. That any other understanding could be maintained by a responsible Government official is something I would never be able to understand.

I don't know what future action is intended in your case but I shall be extremely interested in any coming development. The record which covers your case is comprehensive and positive. It will remain available for any who are entitled to see it.

Very sincerely yours,

HARRY P. CAIN.

Mr. CAIN. Mr. President, I would urge the reader to bear in mind (a) that the confidential memorandum which caused the Acting Housing Expediter to suspend Mr. Zetzer was written on the official letterhead of region III.

(b) That there was not the slightest indication in the memorandum that the views expressed were the personal, rather than the official, opinions of Mr. Zetzer.

(c) That Mr. Zetzer considers the memorandum to have been a mere expression of his personal feelings. If this unwarranted assumption were accepted, how could Mr. Zetzer justify circulating his personal philosophy and observations at Government expense?

We have probably not heard the last of the charges which are pending presently against Mr. Zetzer. The facts in his case will probably be reviewed by competent authority. We ought to take a positive interest in whatever final action is considered and taken, because the Zetzer case will help to determine the conduct to be expected from an executive agent, and it will help to further define and establish a healthy and reasonable relationship between the Congress and executive agencies.

DECORATIONS, ETC., HELD BY RETIRED OFFICERS OR EMPLOYEES (H. DOC. NO. 583)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read by the Chief Clerk, and, with accompanying papers, referred to the Committee on Foreign Relations.

(For text of President's message, see proceedings of the House of Representatives on p. 3767.)

TRANSPORTATION OF PERSONNEL AND CARGO BY MILITARY AND NAVAL AIRCRAFT

The PRESIDENT pro tempore laid before the Senate a letter from the Secretary of Defense, transmitting an order issued by him on November 18, 1947, setting forth the policies governing transportation of personnel and cargo by military and naval aircraft, which, with an accompanying paper, was referred to the Committee on Armed Services.

JEFFERSON BARRACKS, MO.—RESOLUTION OF MISSOURI HOUSE OF REPRESENTATIVES

Mr. DONNELL. Mr. President, on behalf of the junior Senator from Missouri [Mr. KEM] and for myself, I ask unanimous consent to present for the RECORD a notable resolution adopted by the House of Representatives of the Missouri Legislature. The resolution, House Resolution 187, reads:

House Resolution 187

Whereas Jefferson Barracks was established as a military outpost in 1826 and has ever

since been one of the greatest historical landmarks in North America; and

Whereas the Jefferson Barracks site was for 120 years a part of the life of the citizens of Missouri, Illinois, and the Central West, thousands of citizens of said States and others have trained there and thousands more lie buried there; and

Whereas it is deemed proper and fitting that this hallowed ground be monumented to such an extent that it remain forever as a national shrine; and

Whereas Jefferson Barracks National Cemetery is now bounded by the Jefferson Barracks Military Reservation; and

Whereas we believe that it is both fitting and proper that the national cemetery be encompassed about by a national park, with its wooded grounds, to protect said cemetery from the encroachment of urban development; and

Whereas we deplore the proposed plan to sell off large portions of the site of Jefferson Barracks to private investors for private exploitation: Now, therefore, be it

Resolved by the House of Representatives of the State of Missouri, That it petition the Congress of the United States and the appropriate governmental agencies to withhold said Jefferson Barracks or any part of it from public sales and to take such action as may be necessary to create and maintain said Jefferson Barracks as a national park; and be it further

Resolved, That the present use of part of said reservation as a veterans' housing project be retained for said use until the housing emergency in this area is definitely past; and be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, Secretary of the Interior, United States Senators of Illinois and Missouri, Congressmen of the State of Illinois and State of Missouri; the War Assets Administration, Secretary of Defense and Veterans' Administration.

(Bohrer, Cord, Sendlein, Witte, Boederker, Underwood, and Lemuth.)

MURRAY E. THOMPSON,
Speaker of the House.

I hereby certify that House Resolution No. 187 was adopted by the house of representatives on March 24, 1948.

[SEAL] CURTIS J. TINDEL,
Chief Clerk of the House.

Mr. President, I request that the resolution be referred to the appropriate committee.

The PRESIDENT pro tempore. Without objection, the resolution will be received, and referred to the Committee on Interior and Insular Affairs.

FEDERAL AID TO EDUCATION—TELEGRAMS FROM ARCHBISHOP RITTER AND BISHOP O'HARA

Mr. DONNELL. Mr. President, I ask unanimous consent that there be set forth in the body of the RECORD at this point two telegraphic messages, one of which is from the Most Reverend Joseph C. Ritter, archbishop of St. Louis, addressed to myself, received in Washington, March 23, 1948; the other from the Most Reverend Edwin V. O'Hara, bishop of Kansas City, addressed to myself, and received in Washington on March 24, 1948. Both telegraphic messages relate to Senate bill 472.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ST. LOUIS, MO., March 22, 1948.
Senator FORREST C. DONNELL,
United States Office Building,
Washington, D. C.:

In the public-spirited interest of 14,000 high-school pupils and the 55,000 elemen-

tary school children and their parents I respectfully call your attention to the discrimination of the Senate education bill No. 472 denying effective health to parochial-school children. Such an attitude is not in keeping with our best democratic principles educating our people regardless of religion. Our Catholic parochial schools as evidenced from numbers of children cited above warrant the interest of our legislators who represent us. Respectfully request your considered judgment on this bill.

ARCHBISHOP JOSEPH C. RITTER,
Archbishop of St. Louis.

KANSAS CITY, MO., March 23, 1948.
Hon. FORREST C. DONNELL,
Senate Office Building,
Washington, D. C.:

With national defense program calling for retrenchment I oppose expenditure on behalf of self-sufficient States proposed in S. 472. Taft educational aid bill considered ineffective as measure to equalize educational opportunities and flagrantly discriminatory against 100,000 private pupils in Missouri. Respectfully request you to oppose measure.

EDWIN V. O'HARA,
Bishop of Kansas City.

Mr. DONNELL. I should like to add that a telegraphic message of like content from each of these two gentlemen has been received by my colleague the junior Senator from Missouri [Mr. KEM].

LIMITATION OF POWER OF RADIO STATIONS

Mr. ECTON. Mr. President, I am very much interested in a bill which has been introduced by the distinguished Senator from Colorado [Mr. JOHNSON]. I refer to Senate bill 2231, to limit the power of radio stations to 50,000 watts so as to provide more equitable radio service to the various communities in the United States and to prevent monopoly.

The radio broadcasters in Montana are deeply interested in this bill, and I am very happy to note that the Committee on Interstate and Foreign Commerce has scheduled hearings in the near future.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter received by me from P. B. McAdam, secretary of the Montana Association of Broadcasters, together with a resolution unanimously adopted by that association.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

KPRK,
Livingston, Mont., March 26, 1948.
Senator ZALES ECTON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: As secretary of the Montana Association of Broadcasters, which includes every radio station in Montana as well as four other stations that are in construction, I have been instructed to forward to your office the resolution which was unanimously adopted by the entire group of broadcasters at a meeting held in Helena on March 8. This resolution recommends and requests your most ardent support of the Johnson bill, recently introduced in the Senate, which would limit the power of radio broadcasting stations to a maximum of 50,000 watts.

Never in the history of communications has such a giant monopoly of facilities been proposed as that of a few large organizations who are attempting to establish superpower stations that would reach every radio listener in the United States with the end result that there would be no chance for a Congressman or individual to reach the particular people

in a local community as the time would not be available on a superpower station and very possibly the small stations in Montana would be out of business. Your most urgent action in obtaining support for this Johnson bill, introduced in the Senate, S. 2231, is requested. When the full import of this situation reaches the grass roots of the country there will certainly be mass support for this bill.

In the meantime we are doing everything possible to inform the people here in Montana, and broadcasters in other States, of the hazards to American citizens if this bill should fail to receive favorable action from Congress.

Thanking you in advance for your action and support of this Senate bill and awaiting your reply that may be passed on to the associate members, I am,

Sincerely,
P. B. MCADAM,
Secretary, Montana Association of Broadcasters.

MONTANA ASSOCIATION OF BROADCASTERS UNANIMOUS RESOLUTION, MARCH 7, 1948

Whereas Senator EDWIN C. JOHNSON, of Colorado, introduced, in the United States Senate on February 26, 1948, a bill (S. 2231) to limit the power of radio stations to 50,000 watts so as to provide more equitable radio service to the various communities of the United States and to prevent monopoly; and

Whereas there are not enough frequencies for every community or even every State to have a superpower station; and

Whereas the granting of superpower to any station or stations in the United States is a policy matter to be determined by Congress and not an engineering matter; and

Whereas the granting of superpower would be detrimental to many independent community stations, placing many stations in jeopardy of bankruptcy by depriving them of programs, thus depriving listeners of community radio service; and

Whereas placing superpower stations in only a few communities of the country would concentrate in a limited number of individuals a monopoly of greater economic, political and social power than should be entrusted in any individual or group in a free nation; Be it therefore

Resolved, That the members of the Montana congressional delegation are hereby asked by the independent broadcasters of Montana through their association, the Montana Association of Broadcasters, to individually or collectively call upon the Senate Interstate and Foreign Commerce Committee and upon its individual members and urge upon these men and this committee the speedy expedition of the hearings on this bill; that they urge on this committee the use of the countless volumes of testimony and briefs already taken in this matter by the Federal Communications Commission over the last 10 years; that they individually support this bill S. 2231 in its present form and urge its support and vote for its enactment on the floor of Congress.

PHYSICALLY HANDICAPPED CITIZENS

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to insert in the body of the RECORD Senate bill 2319, which is a short bill to provide for a survey of physically handicapped citizens. I also wish to insert a brief explanation of the purposes of the bill.

There being no objection, the bill and explanation were ordered to be printed in the RECORD, as follows:

S. 2319

A bill to provide for a survey of physically handicapped citizens

Be it enacted, etc., That the Director of the Census is authorized and directed (1) to make a survey of the population of the

United States to determine, insofar as possible, the number, age, and location of physically handicapped citizens; (2) to prepare and submit to the President and to the Congress a preliminary statement outlining plans for classifying citizens found to be physically disabled; and (3) to report to the Congress, within 18 months after the date of enactment of this act, the results of such survey.

Sec. 2. For the purpose of this survey, a physically handicapped citizen shall mean any citizen who, because of (1) congenital deformity, (2) injury, or (3) disease, is substantially handicapped in obtaining employment or in self-employment.

Sec. 3. To assist in carrying out the provisions of this act, the Secretary of Commerce, on the request of the Director of the Census, shall request the cooperation of the Federal Security Agency, the United States Employment Service, the United States Civil Service Commission, and other Federal, State, and local government agencies. The Director may consult with nongovernmental associations and experts in planning the survey and preparing the required report.

Sec. 4. In carrying out the provisions of this act, sections 3, 5, 7, 8, 9, 10, 11, 12, 14, and 15 of the act of June 18, 1929 (46 Stat. 21), shall be applicable.

Sec. 5. Section 4 of the act of June 18, 1929 (46 Stat. 22, U. S. C., title 13, sec. 204), is hereby amended to read as follows:

"Sec. 4. The seventeenth and subsequent censuses shall be restricted to inquiries relating to population, to agriculture, to irrigation, to drainage, to distribution, to unemployment, and to mines. The number, form, and subdivision of the inquiries in the schedules used to take the census shall be determined by the Director of the Census, with the approval of the Secretary of Commerce: *Provided*, That the schedules shall include inquiries concerning the number, age, classification, and location of physically handicapped citizens."

Sec. 6. There are authorized to be appropriated such sums, not exceeding in the aggregate \$5,000,000, as may be necessary to carry out the provisions of this act.

STATEMENT BY MR. JOHNSON OF COLORADO

Mr. President, I recently introduced S. 2319, a bill to provide for a survey of physically handicapped citizens. The purpose of the bill is to ascertain, insofar as may be possible, through a census, the number, age, location, and type of our physically handicapped citizens, so that we may have definite knowledge and facts upon which to base legislative and other programs in their interest.

My own concern for the welfare of our physically and mentally handicapped people impels me to say that I believe present programs must be greatly improved and expanded if we are to meet the needs. Unquestionably, when we consider that the 1947 report of the Office of Vocational Rehabilitation shows that, for that year, 51,575 disabled men and women were prepared for and placed in employment through rehabilitation processes, while, at the same time, the Bureau of Labor Statistics estimates that more than 2,000,000 Americans were injured in industry and agriculture—many of them very seriously—makes it apparent that there is a wide gap between the number of injuries and diseases, incapacitating our people, and effective remedies to restore them to working condition, if that be possible. We must deal vigorously with this situation, but, as said, as a practical proposition we must first ascertain the facts upon which to predicate remedial programs.

Senate bill 2319 has the approval of the American Federation of the Physically Handicapped, an organization well known to Members of Congress, which has national headquarters in the National Press Building, Washington, D. C., and the officers of which

are, Paul A. Strachan, president; Miss Mildred Scott, secretary; Ralph A. Collins, treasurer; and the vice presidents, composing the AFPH national council.

As a part of my remarks, I am including an explanatory statement by Mr. Strachan, as follows:

"For many years, we have striven to ascertain an accurate estimate of the number of handicapped people in the United States. Public and private agencies vary so greatly in their estimates as to make it almost impossible to strike a mean, as instanced by the fact that, some 12 years ago, medical sources estimated that out of the then 130,000,000 population, some 55,000,000 were, in some degree, handicapped. In 1935-36, the National Health Survey, made by the United States Public Health Service, estimated there were, then, 23,600,000 handicapped, of whom approximately 16,000,000 were in the social-security nonbenefit ages of 16 and 60. During the recent war, Selective Service rejected approximately one out of three of the 12,000,000 examined for physical or mental defects, and it should be borne in mind that these were individuals presumably in the best years of life, from 18 to 45.

"In 1945-46, the House Labor Subcommittee To Investigate Aid to the Physically Handicapped, as well as the Senate Committee on Wartime Health and Education held extended hearings, before which experts representing various public and private agencies and organizations testified, and a summary of their estimates shows an approximate of 38,000,000 handicapped. Still more recently, the late Retraining and Reemployment Administration, of which Maj. Gen. Graves B. Erskine, USMC, was Administrator, after much study of the question, set a figure of 28,000,000 handicapped. Estimates of other agencies and organizations today vary still more widely, and such condition makes it necessary to go down to the grass roots and get the facts. The only feasible way that can be done is by a census of handicapped, and S. 2319 provides the simplest means to that end.

"Legislation now pending in Congress, dealing with many phases of the handicapped problem, calls for expenditures which total more than a billion dollars. We are not opposed to these measures, but, precedent to their enactment we believe the Congress, the Chief Executive, and the general public should have all pertinent facts as to the handicapped in our population, so that we can deal intelligently and comprehensively with this matter, and stop groping in the dark for lack of real evidence on which to base a case.

"We consider S. 2319 a vital factor in the health program of the United States and for that reason, we sincerely hope that Congress will speedily enact it, so that this highly essential work may get under way without delay."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ECTON, from the Committee on Post Office and Civil Service:

S. 2325. A bill to enable certain former officers or employees of the United States separated from the service subsequent to January 23, 1942, to elect to forfeit their rights to civil-service-retirement annuities and to obtain in lieu thereof returns of their contributions with interest; without amendment (Rept. No. 1034); and

S. 2326. A bill to repeal the Alaska Railroad Retirement Act of June 29, 1936, as amended, and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such act of June 29, 1936, is applicable; without amendment (Rept. No. 1035).

By Mr. CONNALLY, from the Committee on Foreign Relations:

S. J. Res. 177. Joint resolution providing for participation by the Government of the United States in the Pan American Railway Congress, and authorizing an appropriation therefor; with an amendment (Rept. No. 1036).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUCK:

S. 2406. A bill to amend the act entitled "An act to provide for the recording and releasing of liens by entries on certificates of title for motor vehicles and trailers, and for other purposes," approved July 2, 1940, as amended; to the Committee on the District of Columbia.

By Mr. GURNEY:

S. 2407. A bill to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or profit under the Government of the United States; to the Committee on Armed Services.

By Mr. MCCARRAN:

S. 2408. A bill for the relief of Arthur O. Fisher; to the Committee on the Judiciary.

By Mr. CAIN:

S. 2409. A bill to amend an act entitled "An act to provide revenue for the District of Columbia, and for other purposes," approved July 16, 1947; to the Committee on the District of Columbia.

By Mr. LANGER:

S. 2410. A bill for the relief of Rosina Reda; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 2411. A bill for the relief of Gabel Construction Co.; to the Committee on the Judiciary.

By Mr. WHERRY:

S. 2412. A bill to protect the people of the United States against infiltration by Communists and Communist-front organizations; to the Committee on the Judiciary.

THE PLACE OF COOPERATIVES IN AMERICAN AGRICULTURE—ADDRESS BY SENATOR AIKEN

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an address on the subject The Place of Cooperatives in American Agriculture, delivered by him during Farm and Home Week at Ohio State University, Columbus, Ohio, March 23, 1948, which appears in the Appendix.]

OLD-AGE INSURANCE—ADDRESS BY SENATOR MURRAY

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an address on the subject of old-age insurance delivered by Senator MURRAY on March 26, 1948, which appears in the Appendix.]

PALESTINE REVERSAL—EDITORIAL FROM DENVER POST

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an editorial entitled "Reversal on Palestine Declared Betrayal," written by David R. Uchill, and published in the Denver Post, which appears in the Appendix.]

SIX-YEAR PROGRAM FOR MISSOURI RIVER BASIN

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a 6-year program for the Missouri River Basin, as pre-

pared by the Missouri Basin Interagency Committee, which appears in the Appendix.]

AN AMERICAN PLAN FOR WORLD PEACE— INTERVIEW WITH SENATOR PEPPER

[Mr. HOLLAND asked and obtained leave to have printed in the RECORD a radio interview of Senator PEPPER, by Charles Parmer, on the subject An American Plan for World Peace, which appears in the Appendix.]

MEETING OF SUBCOMMITTEE OF JUDICIARY COMMITTEE

Mr. KNOWLAND asked and obtained consent that the subcommittee of the Judiciary Committee considering Senate bill 826 be permitted to meet during the session of the Senate today.

AID TO CHINA

The Senate resumed the consideration of the bill (S. 2393) to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China.

The PRESIDENT pro tempore. The question before the Senate is the China relief bill.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hawkes	Myers
Baldwin	Hayden	O'Connor
Ball	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Bricker	Hoey	Overton
Brooks	Holland	Pepper
Buck	Ives	Reed
Bushfield	Jenner	Robertson, Va.
Byrd	Johnson, Colo.	Robertson, Wyo.
Cain	Johnston, S. C.	Russell
Capehart	Kem	Saltonstall
Capper	Knowland	Smith
Chavez	Langer	Sparkman
Connally	Lodge	Stennis
Cooper	Lucas	Stewart
Cordon	McCarran	Taft
Donnell	McClellan	Thomas, Okla.
Downey	McFarland	Thomas, Utah
Dworschak	McGrath	Thye
Eastland	McKellar	Tobey
Ecton	McMahon	Umstead
Ellender	Magnuson	Vandenberg
Ferguson	Malone	Watkins
Flanders	Martin	Wherry
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from West Virginia [Mr. REVERCOMB] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from Wisconsin [Mr. McCARTHY] is unavoidably detained.

The Senator from Maine [Mr. WHITE] is absent because of illness.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. HATCH] and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from West Virginia [Mr. KILGORE] is absent because of serious illness in his family.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDING OFFICER (Mr. CAIN in the chair). Eighty-four Senators having answered to their names, a quorum is present.

Mr. VANDENBERG. Mr. President, I present S. 2393, a bill to promote the general welfare, national interest, and foreign policy of the United States by providing aid to China. It is recommended by a unanimous vote of the Committee on Foreign Relations. It is supported by every American instinct to sustain independent governments against aggression, and free peoples against conquest. It is sustained by the rich, historic tradition of American friendship for the Chinese people. Its advisability, at this critical moment in the story of human rights and fundamental freedoms, is so unavoidable that I believe it unnecessary to do more than report the basic facts, and then to take the Senate's decision.

If the Senate shall find it possible, Mr. President, to vote promptly, we shall meet the parliamentary situation created by the omnibus relief bill in the other House. We can then anticipate the adoption of a final and total conference report this week end in both Chambers. Congress will have thus demonstrated to an anxious country and a distraught world how democracy can function, when time is of the essence, in behalf of the hopes by which free men live. I am sure that even those of my colleagues who oppose these relief programs will readily agree that if the programs are to be launched at all, they should be launched in time to serve their maximum advantage and enjoy their maximum chance.

Therefore, Mr. President, I come directly to the point.

China was one of the heaviest sufferers from the bludgeon blows of World War II in which she was our ever-faithful ally against the Axis—bearing the cruel brunt of Japanese attack and ruthless occupation, yet always refusing all appeasing opportunities for a separate and expedient peace. The victory against the Axis, however, did not end her grueling jeopardy. The fruits of victory turned to ashes on her lips. She has since been riven by civil war in which her Government has been under constant and powerful attack by armed Chinese Communists—a major victim of that conspiracy of aggression which undermines the peace of this unhappy earth.

The accumulation of these strains—first, 8 years of war; second, long Japanese occupation; third, Communist rebellion—would have long since broken a people less devoted to their ideals, and a chief of state less grimly tenacious than Generalissimo Chiang Kai-shek. I pay my humble but deepest respect to the tremendous patriotic labors and to the seasoned integrity of this great and courageous leader, who has sustained his responsibility for democratic ideals, through thick and thin, against overwhelming odds. Come what may, I give him my hopes and prayers for his success in behalf of a liberated China and the progressive freedoms of a liberated Chinese people.

Mr. President, the wonder is not that all these pyramiding burdens and all these accumulated hazards should have driven hard-pressed China to the brink. The wonder is that prior crises have not been able to break her intrepid spirit to carry on. We would be inexcusably less than frank if we did not admit that, as of the moment, the situation is touch and go. But, in my view, we would be inexcusably less than loyal to our own objectives if, at such a moment, we did not do what lies within our power, taking account of our other responsibilities, to help sustain and to encourage the Chinese Government and the Chinese people to reject aggression and to sustain their independence.

The Chinese Nationalist Government has long been recognized by the United States. It has been recognized by every member of the United Nations where China sits as a permanent member of the Security Council. And this is important—it was specifically recognized by Soviet Russia in 1945 when the Kremlin agreed "to render to China moral support and aid in military supplies and other material resources, such support and aid to be given to the National Government as the Central Government of China."

This pledge has been honored only in its breach. Instead, Soviet Russia, for example, has stripped Manchuria of vast industrial equipment estimated at a value as high as \$2,000,000,000. It has rendered none of the moral support or material aid it promised. On the contrary, although its direct connection with the Communist civil war is debated in some quarters, it is difficult for realists to make this discrimination—in the light of known infiltration and known subversion, among other things. While the National Government has taken initial steps toward practical democracy through the promulgation of the constitution and the election of a National Assembly, the Chinese Communist rebels aim at totalitarianism; and the Chinese Communist propaganda has been bitterly anti-American and directly follows the Moscow party line regarding all American policies. Not all rebels are Communists. There is the familiar coalition with other antigovernment reformers. I underscore the word "familiar." But all Communists are rebels; and there can be no doubt as to the overriding character of this civil war. In any event it is aimed at that Government in China which has shed its blood, sweat, and tears against aggression and dictatorship for more than a decade. It is aimed at that Government in China which is recognized by every other power on earth, and which asks our help in its extremity. It is to this Government and this people that the pending bill again proposes to extend American succor in response to prayers for aid.

If and when we respond, Mr. President, to this plea, we are serving more than the humanities—great though these be amid a people with whom we have had long and vast cultural, educational, and religious ties. We are serving more than our traditional foreign policy which

never has failed to speak up for the integrity and the independence of China ever since our first treaty in 1844—particularly remembering Secretary of State Hay in 1900 and Secretary Stimson in 1932. We are also serving, Mr. President, our own unavoidable self-interest in international peace and security in an enormous far-eastern area which peculiarly involves the welfare and the future of the United States. Certainly no bill of particulars is necessary upon that score. Congress itself has been too obviously tender and receptive to this theme in recent months to require any further argument.

This bill is our latest answer to these specifications and these demands. It puts the China program on the same timetable as the European program, taking the relative figure for 12 instead of 15 months, so that all these programs may confront simultaneous review next January. It thus authorizes an appropriation of \$463,000,000. This sum is divided two ways. First, it makes \$363,000,000 available for carefully screened relief and rehabilitation under the applicable provisions of the Economic Cooperation Act of 1948, including the usual bilateral agreement with China, and under the general direction of the Administrator of that act. Second, it makes an additional \$100,000,000 available as a grant on such terms as the President may determine. This can be used at China's option for military purposes and in the purchase of urgently needed military supplies. It is believed that this can greatly facilitate the delivery of our own surplus military supplies, at China's option, in the far-eastern area.

The Committee on Foreign Relations wishes to make it unmistakably clear, in this, as in all other relief bills, that there is no implication that American aid involves any continuity of obligation beyond specific, current commitments which Congress may see fit to make. This understanding is necessary in all foreign-aid legislation, not only in elementary prudence as respects our own resources, but also in justice to those whom we assist. We do not—we cannot—underwrite the future. Events are unpredictable in this tragically fluxing age. It is a duty to underscore this reservation in the case of China because we find here many imponderables as a result of the military, economic, and social pressures which have understandably undermined her stabilities, and prevented or postponed the internal reforms which even her surest friends readily concede to be not only desirable but essential for the Chinese people and for the Nationalist government. But reforms without survival would be a disillusioning mirage.

Gen. Chang Chun, President of the Executive Yuan of the Nationalist government, frankly and courageously spoke of these necessities in a sturdy statement last January, from which I quote:

The Chinese Government fully recognizes that, in order to secure the maximum benefit from external aid, an adequate and practicable program of domestic measures of self-help is needed. This program should at the beginning lay stress on financial and economic measures of immediate importance

which will be followed or accompanied by certain other reforms in the fields of general administration and military reorganization.

General Chun then listed 10 of these vital necessities, and they are in the report which is on the desks of all Senators. They are more than ordinarily difficult of achievement in a country the size of China, comprising one-fifth of the world's population. By the same token, the greater will be the glory of such efforts. The recognition of these necessities by the Nationalist Government itself is one of the stimulating and hopeful factors in this equation. The best friends of China will urge the relentless pursuit of these healing objectives. It is simple candor for us to take account of these facts as we turn again to China's assistance. But it would be a cruel distortion of paramount facts to subordinate the central purpose of this legislation to an overemphasis upon the difficulties and the handicaps which the Nationalist Government must overcome in these respects. The preservation of China's independence is prerequisite to the preservation or attainment of everything else. Liberty is prerequisite to progress.

Now I return briefly to the bill itself.

We cannot deal with the Chinese economy on an over-all basis, as we have done in the European recovery program. China is too big. The problem is too complicated. But we can serve some key needs with great effectiveness; and, in the unanimous opinion of the Foreign Relations Committee, we should and we do, under this proposed legislation. For example, we propose to help in respect to a probable food deficit of 2,000,000 tons for the coming year, having constantly in mind that China has so drained her foreign exchange that she will be hard pressed to procure essential imports needed for the continuation of her basic civilian economy. The tentative breakdown of relief commodities is also shown in the revised committee report which is on the desks of all Senators. Limited appropriation, perhaps \$60,000,000, is contemplated for key reconstruction projects. All commodities will be distributed, and all projects will proceed under the strict supervision of the Administrator of the Economic Recovery Act, and all applicable requirements of that act will be invoked; although, of course, it is clear that China cannot be tied in with the 16 European nations in this connection.

I turn now to the question of military aid. By way of background, I report the current military status in China. Because of shifting controls in disputed areas, it is impossible to be accurate. These are general estimates. The Chinese Communists control perhaps 25 percent of the total area of China and perhaps 33 percent of the population. The strength of the Communist armed forces is estimated at 1,150,000 regulars and 2,000,000 local militia. The Nationalist government announced 6 months ago that its armed forces numbered 3,800,000 men.

As in the case of Greece and Turkey, your Committee on Foreign Relations recognizes that military aid is necessary in order to make economic aid effective.

It proposes to make military supplies available, at China's option. For this or any other purpose, at China's option, a grant of \$100,000,000 is included in the bill. This implements a heavy program of transfers of military surplus, at nominal prices, already under way, and to be extended. Your committee believes, as a matter of elementary prudence, that this process must be completely clear of any implication that we are underwriting the military campaign of the Nationalist Government. No matter what our heart's desire might be, any such implication would be impossible over so vast an area. Therefore, for the sake of clarity, we prefer to leave the initiative, in respect to these particular funds, in the hands of the Nationalist Government. The current net result is no less effective. We want it to be no less effective. But we also want no mistake about the nature of our obligations. Congress must retain freedom of decision as events may recommend.

Under another law, the United States will continue to furnish military advisers to the Government of China at her request. At the present time this group consists of 572 officers and 921 enlisted men. This includes military police and weather and air transport personnel. None of this personnel commands Chinese troops nor engages in combat. Their capacity is advisory only. Combat units of American troops definitely are not involved. Nothing in the pending bill alters these limitations on these plans in any aspect.

I believe, Mr. President, this covers the essence of this legislation. I conclude, therefore, as I began. For many years the United States has been deeply concerned with the maintenance of the integrity and the independence of China, factors unmistakably essential to peace in the Far East. That integrity and that independence have been threatened for a tragic decade, but never more so than in this apprehensive hour which sees aggressive communism on the march all round the globe. We must providently choose our ground in this over-all contest lest our zeals shall overreach our resources. But we would deny our traditions, our history, and our objectives if we failed this present response to the current needs of China.

I renew the hope, Mr. President, that the Senate will find it wise and profitable to pass this bill with least possible delay so that a final conference report on this entire peace program may light another torch of liberty before this week end wanes.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Oregon.

Mr. MORSE. I want to say, before I ask the Senator certain questions, I am happy again to assure him that I find it possible to follow his leadership on foreign policies in the Senate.

Mr. VANDENBERG. I thank the Senator.

Mr. MORSE. I accept as sound the major premises which the Senator has

laid down in his speech. However, I think it of importance that, as we proceed to discuss the bill the Senator is offering the Senate, we seek to find the answers to certain questions which I am sure are perplexing millions of American citizens in regard to our relations with China.

I represent a west coast State. We on the west coast are very much concerned about Pacific problems. We are very close to China, and because of our closeness to China I think we are more aware in certain particulars of some of our Pacific problems than are many people in other sections of the country. I think the American people, certainly those who live in the West, want answers to certain questions which involve great doubt in their minds as to what the factual situation is concerning relief we have already given to China. So, I want to repeat a question I asked the Senator from Michigan some months ago—I think it was during the special session of the Congress last November—whether or not the Foreign Relations Committee of the Senate is at this time fully familiar with the contents of the Wedemeyer report made to the President of the United States.

Mr. VANDENBERG. I do not think the committee has had the full report submitted to it. We have had an analysis of the report submitted to us.

Mr. MORSE. On the basis of the analysis of the Wedemeyer report, would the distinguished Senator from Michigan say at this time that he believes the relief supplied by the United States to China, even since VJ-day, has in large measure gone to the aid of the common people of China?

Mr. VANDENBERG. An answer to the Senator's question requires a bill of particulars in respect to the question. The interest of the common people of China, in the judgment of the Senator from Michigan and, I am sure, in the judgment of the Senator from Oregon, rests first and fundamentally upon the maintenance of China's independence and the right of autonomy and self-determination. To whatever extent the aid furnished since VJ-day has therefore either encouraged or helped sustain the Nationalist Government, I would say the answer is "yes," that it has been to the advantage of the people of China. Insofar as a break-down which would pursue the aid to specific objectives is concerned, I am afraid I cannot answer the Senator's question.

Mr. MORSE. On page 11 of the committee's report, section 15, at the bottom of the page, I read this paragraph:

Ambassador Stuart, on February 19, 1948, stated that the China-aid program "was designed to benefit the common people." The committee repeats that the Administrator is under obligation to see that this actually takes place—in the rural districts as well as in the relatively few urban sections. The end use of American dollars in China is a primary obligation on the Administrator and the Chinese Government.

During the course of the Senator's excellent speech this afternoon he particularly emphasized the obligation resting upon the Administrator or the administration of the aid program, to see

to it that the aid we now propose to give China goes to the common people of China. I think the Senator can put me right if I am wrong, but I assume that not only the paragraph in the report which I have read but the emphasis with which the Senator discussed this particular problem in his speech is probably based upon the fact that he, too, as chairman of the Foreign Relations Committee, has heard testimony, as I have heard representations made to me, that too much of our funds and too many of our supplies which have gone to China in months past have not accrued to the benefit of the common people. Does the Senator think I am wrong in that observation?

Mr. VANDENBERG. I have no doubt in the world of the almost imponderable difficulties involved in the type of relief distribution in China which the Senator from Oregon and I both desire to see exist. Neither have I any doubt that there has been a progressive disintegration, as a result of the accumulated pressures in the last 8 years, in the adequacy of the system under which relief has been distributed. But my belief is that the clear and specific controls which are contemplated under the Economic Cooperation Act and which are contemplated to be extended to the distribution and control of supplies under this bill, will reduce to a minimum whatever hazard of the nature to which the Senator refers may exist.

Mr. MORSE. Were any representations made to the Committee on Foreign Relations by any witnesses as to the effect of black markets, corruption, bribery, pilferage, and tremendous waste which have characterized much of the distribution of relief supplies in China?

Mr. VANDENBERG. We had available to us the entire record taken by the Foreign Affairs Committee of the House of Representatives, and there can be no doubt about the complete, or almost complete, disintegration of the Chinese fiscal system. I think that perhaps as of today the American dollar is measured in the equivalent of 500,000 Chinese dollars. Under such circumstances black markets are inevitable. It would be a unique situation if China were free of black markets, when we know that the entire European area, which is struggling back to its feet, is similarly cursed with black markets. I should think that the black-market curse in China is greater than that in any other place in the world, in view of the fiscal-exchange relationships to which I have referred.

Mr. MORSE. If the Senator will permit me to make a brief comment on which I wish to base my next question, I should like to say that I have yet to interview the first American who has returned from China after extended observations in China who has not told me that in almost every part of China in which he or she traveled he or she found persons actually starving, and yet sometimes within the block, or around the corner, or two or three blocks away, there would be on the street for sale at black-market stands a good cross section of the various supplies we have been sending to China for the aid of the common people. Such reports have been so

consistent and so uniform that I think they have added much to the query which I think is being asked all over America today, namely, what assurance have the taxpayers of America that by spending more and more millions of dollars for food and supplies for relief in China they are doing anything more than again filling the pockets of the group which is today in charge of the Nationalist Government of China?

I may say to the Senator from Michigan that I am not at all fearful of successful contradiction of those reports, because I think the evidence is overwhelming that the distribution of American relief supplies to China in months past has practically broken down, so far as aid to the common people of China is concerned.

On the basis of those reports I am convinced that something must be done this time to make clear to the National Government of China that it must do everything possible to cooperate with us in ending the type of waste, graft, and corruption which these reports uniformly indicate prevail at the present time in China. We must have assurance that there shall be an improvement in the distribution of our supplies. So I ask the Senator from Michigan if I am correct in assuming that his committee's answer to the problem is to be found in the language on page 11 of the report, where it is pointed out, starting with the last word on that page, and then going to the top of page 12—

The committee repeats that the Administrator is under obligation to see that this actually takes place—

Meaning, I assume, that this time we are saying to the National Government of China: "We shall insist that this relief go to the aid of the common people of China."

Am I correct in that assumption?

Mr. VANDENBERG. I think the Senator is totally correct in the very earnest dedication of the committee to that objective. I should like to comment a little further on the Senator's question, if he will permit me. I call his attention to the language of the committee report, on page 5, which frankly indicates that China's economy has deteriorated steadily since the defeat of Japan. Then I call attention particularly to the next sentence:

The destruction of communications has isolated the resources from the centers of consumption and the ports.

I think that our committee was greatly impressed by the fact that among the other major difficulties confronted in achieving the precise result to which the Senator appropriately dedicates his hopes is the very general break-down in communications which makes it difficult to operate the most well-meaning plan that could be devised. It is for that reason, I say to the Senator from Oregon, that among other contemplations in the pending plan is the restoration of one major railroad line of communication which will greatly, it is hoped, reduce this particular handicap.

I think that in speaking of the necessity that this relief shall accrue to the advantage of the common people of China

we cannot, as realists, ignore the utter size of the problem, the almost unbelievable area involved, and, above everything else, the break-down of all the instruments of communication, so that the worthiest purpose in the world confronts high difficulty in achieving these aspirations.

The Senator will find on page 17 of the report the full text of the agreement covering interim aid to China, and I think he will find in the requirements of that agreement, set down in black and white, the answers to many of the things which the Senator wants to see done. I can give him no assurances as to net results, because I can give the Senator no assurance, to begin with, as to what the plans of the Politburo may be for the next 20 minutes.

I can give the Senator no assurances as to net results respecting the vicissitudes of climate, and the like, in respect to native crops. I can give the Senator no assurances that the habits of a thousand years in this area are to be made over as a result of the legislation we are proposing. But I can give the Senator assurance, born of what I consider to be the very brave statement and action of General Chang Chun, president of the Executive Yuan of the Republic of China, which the Senator will find set out in some detail on pages 12 and 13 of the report. I am sure that statement of itself will give the Senator substantial reassurance regarding the attitudes of the beneficiaries of the plan. I can certainly give the Senator every assurance in the world that the administrators of the program will find themselves under an irresistibly compelling obligation to undertake to the maximum degree the objective which the Senator very rightly underscores.

Mr. MORSE. I think it is the last assurance that is of most importance in this discussion.

Mr. VANDENBERG. I think it is, too.

Mr. MORSE. The other assurances about which the Senator spoke I could not expect him to give to me, but in the course of his major remarks this afternoon—and I think this bears on one of the last observations he made—he did make the point, and I paraphrase him, that we have to look, of course, to our own economic resources to see how far we can go in our national relief program for China and other countries.

Mr. VANDENBERG. At all times.

Mr. MORSE. The Senator now points out that when we take into account the vastness of China, both from the standpoint of territory and from the standpoint of population, we cannot hope, of course, to bring to the common people of China all the aid that is going to be needed by them to eliminate the terrible economic and social conditions which exist in China.

Let me make a statement to the Senator, which I make only because I think reemphasis of the point is important in this debate in view of the perplexity which confronts the American people today with regard to the situation in China. After VJ-day we gave many millions of dollars' worth of war supplies, much of it consisting of

food, clothing, and equipment, which could be used to sustain large numbers of the common men and women of China against the vicissitudes of the elements. Such supplies covered many acres of land in the various islands of the Pacific. And what happened? I think the American people should know some of the facts as to what happened in regard to those supplies. Many of them deteriorated and rotted, and were never moved off the islands.

A national corporation of the Chinese National Government was formed, and many of those supplies, particularly heavy machinery and machinery that could be used in logging, road construction, and the like, have been sold back to American taxpayers at prices considerably higher than the prices which were charged for similar machinery by our own Surplus Property Administration. At least I have received such information and representations from several American sources. However I want the facts about this matter, because if that is true, it needs to be looked into.

I wish to say for the record that I have asked the State Department to give me a full report, and what evidence they have, as to the operations of this Chinese corporation in selling back to American taxpayers millions of dollars worth of property which we gave to China after VJ-day. The dollars obtained by the Chinese National Government from those sales of supplies should be taken into account, it seems to me, when we compute and sum up our financial relief to China. I think we have to take into account the administrative policies which have been followed by this Chinese corporation in the disposal of American surplus property. I do not think it is fair or proper that certain political cliques or favored Chinese business groups should be allowed to make profits out of American relief supplies or American gifts to the Chinese people.

I am sure the Senator from Michigan will agree when I say there is great danger that what I say may be looked upon as an unfriendly act on my part toward the National Government of China. No one in this body, including the Senator from Michigan, has greater appreciation of and respect for the fight for freedom which the Chinese National Government waged during the Second World War than I have. However, I cannot condone what I understand have become totalitarian policies of the Chinese National Government in recent months.

In his remarks, the Senator from Michigan suggested that not all the rebels against the National Government are Communists, but that all the Communists are rebels. I agree with that observation in view of the reports I have received from China. I think it is proper to point out at this time that, at least from such reports as I am able to obtain, from people who I am satisfied are reliable, loyal Americans who have been living in China, some of whom have returned to this country, some of whom are still writing from China—there is growing resentment in China, on the part of people who are not Communists,

against the practices of the National Government in China. The result of growing opposition to the National Government on the part of people who are not Communists is that a great many Americans are raising the question today as to whether, from the standpoint of totalitarianism, from the standpoint of governmental regimentation and dictation over and of the rights of the people, there is much difference between the policies of the generalissimo and the policies of other totalitarians.

I do not think we can run away from this rising doubt as to what the governmental policies of the Generalissimo are with respect to the principles of freedom which we are defending the globe around. I think there is a responsibility resting on our Government to make perfectly clear to leaders of governments who seek our aid that there are certain basic principles of freedom which they must support if they hope to have our aid, and there is none greater than the guaranty of freedom of choice to the rank and file of the people of a given country. I would ask the question, not of the Senator from Michigan, but a rhetorical question, How much freedom of choice is there in China today, even under the Chinese National Government?

The principles I have mentioned are precious. I for one say that I think it is incumbent upon the State Department of the United States to make very clear that in this fight for freedom and the dignity of the individual, including all the civil rights that go along with that dignity, we are not going to support Fascist governments or Communist governments.

Mr. PEPPER. Mr. President—

Mr. VANDENBERG. Mr. President, before I yield, I should like to make one comment upon what has been said by the able Senator from Oregon. I do not think we find ourselves in any fundamental disagreement.

Mr. MORSE. I am sure we do not.

Mr. VANDENBERG. The Senator from Oregon supports the pending proposal, I am sure, for substantially the same reasons that actuate me in my support of it.

No member of the Committee on Foreign Relations, I am sure, would undertake to say that the situation in China is comparable, in respect to the terms of democracy as we understand the word, with democracy as it is understood in those areas where it has been a reality for a much longer time.

It seems to me, I suggest to the Senator, that our judgments have to be relative in connection with the question of practical democracy. The Senator chose a phrase, which I particularly liked, to symbolize his entire objective. His phrase was, "the preservation of the freedom of choice."

Mr. President, I think that is an excellent trade-mark for this entire discussion—freedom of choice. I would say to my friend from Oregon that since, in my opinion, the Nationalist Government has created the first constitution in the history of China, since it has created a constitution which is written in terms of

complete democratic aspirations, since this has been done for the first time in the life of a nation that I suppose has lived for five or ten thousand years, here is proof, relatively speaking, that there is a dedication to freedom of choice for the common people of China to a degree at least which has never heretofore been apparent.

I doubt whether that freedom of choice could possibly exist, in the terms that we in America would attach to the words, in any of the nations which are just coming into their first realization of the fruits of organized democracy. I agree that every emphasis upon freedom of choice must be made in our dealings with any government which we are undertaking to assist.

But we must—and at this point the Senator from Oregon would not for an instant disagree with me; I know him much too well—look at the other alternative in respect to freedom of choice, and in the opinion of the Senator from Michigan there will be no freedom of choice left to the 400,000,000 people of China if it falls behind the iron curtain of communism.

It seems to me at the moment, since there is a Nationalist Government, doubtful as some of its characteristics may be in terms of western morality—since there is a Nationalist Government which for 20 years has carried on the inspiration of Dr. Sun Yat-sen in seeking to bring the Chinese people to a better day; since there is a Nationalist Government that has written a democratic constitution; since there is a Nationalist Government that has called free elections, and since the alternative at the moment is the total loss of any freedom of choice for any except those Communist autocrats who would control the conquest of China, I respectfully suggest that even on the basis submitted by my able friend from Oregon, those of us who are devoted to freedom of choice, those of us who are devoted to human rights and fundamental freedoms, find ourselves completely justified in supporting this effort for whatever it may be worth to encourage, under appropriate auspices, those who are struggling to preserve and promote freedom of choice for the Chinese people.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I am glad to yield to the Senator from Oregon.

Mr. MORSE. The Senator has been very kind to the Senator from Oregon in yielding so graciously. If the comments just made by the Senator from Michigan were put in the form of a motion the junior Senator from Oregon would be pleased to say, "I second the motion."

Mr. VANDENBERG. I am sure the Senator would.

Mr. MORSE. And it is because of that fact, that I find it possible to vote for the legislation the Senator from Michigan recommends here this afternoon.

Of course, there is no question about the fact that the present paper writing, the present paper constitution of the National Government of China is one of the

benefits that the Chinese have reaped from the great idealism and the great life and service to the Chinese people of Dr. Sun Yat-sen. But the Senator from Michigan, I know, is well aware of the difference between a paper constitution and putting the principles of that constitution into practice. We have yet to learn that coalescent here in America. So we cannot be too critical of the shortcomings of putting some of the ideals of Dr. Sun Yat-sen into practice in China.

The only caution I sought to indicate here today was a caution to my Government—and I think it is a warranted caution—that we must make very clear to the National Government of China that there is much evidence to bear out the allegation that freedom of choice for which we are fighting and for which we are standing in the world today is not being granted to the degree that an ally of ours in a fight for liberty the world around should grant. That is the only major point I am trying to make.

I agree with the Senator from Michigan that once China falls behind the iron curtain of communism there is no liberty at all. But if she becomes a completely Fascist state—and I am satisfied she is more Fascist today than democratic—there will be no personal liberty for the people of China. It will be lost to the same degree under fascism as it would be lost under communism.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Florida.

Mr. PEPPER. In view of the enlightening discussion between the able Senator from Michigan and the able Senator from Oregon, and in order that it may be made clear that we are defending principles to which our people subscribe, I wonder whether the able chairman would accept an amendment to the bill: that its provisions and benefits shall not become available until the Secretary of State shall have found that at least the essential basic elements of democracy shall exist in the Nationalist Chinese Government?

Mr. VANDENBERG. Mr. President, the Senator knows the answer to his question before he asks it. He is laying down a rule of generalities which it would be totally impossible either to identify or to enforce.

Furthermore, the situation which we confront at the moment, in the judgment of the Senator from Michigan, is something of an emergency situation involving the far more fundamental question as to whether or not the masses of the Chinese people shall have a further chance to pursue the things which the Senator wants the Secretary of State to underwrite as having already occurred.

Before I forget it, may I say something personal to the Senator from Florida?

Mr. PEPPER. The Senator will be very glad to have it.

Mr. VANDENBERG. The Senator from Florida and I have fundamentally disagreed upon a good many phases of this problem, and I have been greatly disturbed sometimes in listening to him that his observations would afford per-

haps unintended encouragement to some of the enemies of this country. I want to compliment the Senator from Florida upon the statement which he made last week end, because he made the record immutably clear that he is not an apologist for aggression by Soviet Russia, and that his pleas for approaches to peace, which my heart completely reflects and underscores, are not uttered in terms of any sort of appeasement of Communist aggression. I am grateful to the Senator from Florida for having made that statement.

Mr. PEPPER. Mr. President, the able Senator from Michigan, knowing that there is no one in this Chamber or in this country for whose opinion, especially for whose approval, I am more solicitous and grateful, knows that he has my utmost thanks for the generous words he has just uttered.

Mr. President, I asked the question I asked a moment ago because I think it is very vital that we make it clear that we stand for two things. First, we stand at some Armageddon and say, "Beyond this point we will not retreat." We say that to all aggressors everywhere. I think that might be a statement of one side of our policy, but we must be unmistakably clear and put equal emphasis upon our declaration that we also have certain regard for principles. We must be very sure that we do not identify ourselves with any questionable motive, or any questionable group, or any questionable attitude. So long as we are certain in our consciousness that we are right, and that we are associated with those who desire only to protect and defend the right, then I have no qualms about our course. That is the reason I think it is important that we make it clear, as the Senator from Oregon [Mr. MORSE] did a moment ago, that while we do not stand with Communists; we do not stand with Fascists, either, and that we do not stand with elements which are corrupt, or with those who have denied democracy to their own people. Let us associate ourselves with the democratic element, and say, "Yes; we will stand behind you against any kind of aggression or encroachment." But when we defend people who are not easily defensible, and governments whose defense has brought embarrassment even to this distinguished committee, if the record may be taken into account of what it said in its first report, and the modification of its report in the second instance, would we not a thousand times over strengthen our position if we were to lay down conditions which even our friends must meet if they are to receive our aid?

I distinguish the case of China from other cases. Even in Greece, where I believe the situation has not been altogether up to our standards, before we undertook to render aid we were able to point to an election which had been held, an election which had been examined by American observers as well as the observers of other countries. I have heard the able chairman declare upon this floor that that gave a degree of integrity to the Greek Government, even

if it were monarchical in character, that it would not otherwise have possessed. We could say to the world that there was an election, that the people had an opportunity to vote. Our representatives scrutinized the vote, and they stated that it met moderate standards of adequacy. Consequently, we said, "Until there is a change, we will support this government."

But no sooner had we started our aid program in Greece than—I dare say due to our pressure—there was a so-called liberal government in power. It was a coalition government, but there was a displacement of the reactionary government, and there was the installation of the government of Sophoulis, who was the leader of the so-called liberal party. Today our aid is being given under this allegedly liberal government. I dare say our representatives are there to observe that there is some decent respect, at least, for the basic, fundamental principles of democracy.

We did not have to lay down those conditions in western Europe. The people there have been democratic in character and sentiment for a long time. They have been accustomed to free elections. So we are not embarrassed in aiding governments which have the essential, basic elements of democracy, as the governments in western Europe have. In the so-called Marshall-plan group, we have the satisfaction of knowing that the people of the countries affected have for a long time stood for and observed and loved the basic elements of democracy.

Can we conscientiously say that that same condition exists in China? Is Chiang Kai-shek's government the one to which we wish to attach our flag and say it is ours as well as his? I thought we had been told time after time that if we were giving the money we could impose conditions. If we are to make it impossible for Communists to participate in our aid, as we do, then can we not eliminate those who are on the other side, on the extreme right, the Fascist-like side, especially when before mankind there is so much question as to their integrity, let alone their philosophic acceptability?

So it seems to me that the moral background of our whole aid program would be immeasurably strengthened if we were to lay down the condition that, while we are not going to yield to the aggression of communism, we are not going to embrace as brothers the Fascists or those who have philosophies of government which are not basically and essentially democratic in character.

Therefore I ask the question not to be capricious or captious, but in the utmost seriousness, whether the Senator might think it possible that we could lay down some condition of basic essentials of democracy which had to be met before the Government of China could get the benefit of this aid.

I thank the Senator for his kindness and indulgence.

[Manifestations of applause in the galleries.]

Mr. VANDENBERG. Mr. President, I think I have answered the Senator's question.

The PRESIDING OFFICER. The Chair reminds the occupants of the galleries that demonstrations of any kind are not permitted, for the very obvious reason that they impede and obstruct the seriousness of the debate which is presently taking place on the floor. Cooperation from each of you as individuals will be very much appreciated.

Mr. WHERRY. Mr. President, I should like to submit a question to the distinguished Senator from Michigan.

The bill provides, does it not, for \$100,000,000 which might be used for military assistance to China?

Mr. VANDENBERG. At China's option.

Mr. WHERRY. Has anything happened since Secretary Royall testified before the committee which would further justify the \$100,000,000 appropriation, at the option of the Chinese Government, for the purposes now set forth in the bill?

Mr. VANDENBERG. I do not think I catch the purpose of the Senator's question. What is the relationship of Secretary Royall to this question? If I can understand that, then I can better understand what the Senator is getting at.

Mr. WHERRY. I should like to lay a foundation, if the Senator does not mind.

Mr. VANDENBERG. Certainly.

Mr. WHERRY. We were told time and time again on the floor of the Senate that the passage of the ERP program was the economic approach; that if we passed the European recovery program without in any way reducing the appropriations we had a right to believe, upon the facts which had been presented up to that time, that we could stop communism with dollars, and that it would not be necessary to implement European relief by any other means.

Mr. VANDENBERG. May I interrupt the Senator to say that the Senator from Michigan never said at any time or at any place that we could stop communism with dollars.

Mr. WHERRY. The distinguished Senator from Michigan did say time and time again that he would not guarantee that it could be stopped with dollars; but I submit to the distinguished Senator that the approach which was made in the ERP program was the economic approach, rather than implementation by force, military alliances, and so forth. Is not that correct?

Mr. VANDENBERG. That is correct; and the Senator is also correct in saying that it was repeatedly urged that the economic program, if given a fair chance, might very well avoid the necessity for moving on into the other category to which the Senator refers.

Mr. WHERRY. I did not mean to argue about the foundation or the premise. I am in this position: It was my feeling, at the time the European recovery program was discussed and considered on the floor, that appropriating the money would simply represent a continuation of appropriations in the attempt to stop communism, which plan had failed in prior years. I think the Senator heard me make that statement.

Mr. VANDENBERG. Mr. President, I think I now sense the Senator's question, and I think I can answer it. The

Senator asks whether anything has happened since Secretary Royall testified to change the situation.

Mr. WHERRY. First, I should like to know about China. It was my understanding then, and up until the time the ERP program was passed in the Senate, that the economic approach was all that was necessary in the opinion of those who testified up to that time. I am not speaking of what has happened since. The question which I finally wish to get to is this: Has the situation changed? Shortly we shall be called upon, if the reports we receive from the Armed Services Committee hearings and from the press are true, to proceed in other ways. We know that not only shall we proceed by means of the economic approach, but that apparently it is becoming necessary to implement the economic approach with other measures, including rearmament provisions here and possibly the draft and universal military training, and so forth. So I ask the distinguished Senator from Michigan this question: What, if anything, has happened, since the presentation of the European relief program and since the testimony of Secretary Royall, which would justify any approach other than the economic approach, either to China or to any of the participating countries in Europe that are to be the recipients of the European relief program?

Mr. VANDENBERG. I fully understand the Senator's question; and when I answer it, I am sure he will just as fully agree with the facts I submit in response to his question. His question is, Has anything happened to change the situation? Yes, very definitely, very ominously, and in most sinister fashion.

The first thing that has happened, in the interim to which the Senator from Nebraska refers, is the fall of Czechoslovakia.

Mr. WHERRY. Mr. President, will the Senator yield to me for a moment at this point?

Mr. VANDENBERG. No; I ask the Senator from Nebraska to wait for a moment. He has asked me quite a long question, and I should like to have a little time in which to answer it.

Mr. WHERRY. I hope the Senator will permit me to make a brief observation at this point.

Mr. VANDENBERG. Very well.

Mr. WHERRY. At the time when the European relief program legislation was being considered and when we used the economic approach, Czechoslovakia and Finland had already been high-pressured by Russia.

Mr. VANDENBERG. Oh, they had been high-pressured out of the western European coalition.

Mr. WHERRY. That is correct.

Mr. VANDENBERG. But since that has happened, as I am sure the Senator will agree with me without any argument whatever, the subsequent fate of Czechoslovakia is of a totally different and far more significant character.

Mr. WHERRY. Very well; that is what I wish to know.

Mr. VANDENBERG. I am sure the Senator from Nebraska will agree that what has happened is clearly the result of a subversive conspiracy to overthrow

the most democratic and most forward-looking of all the central European states. When we consider that overthrow and the fashion in which it was brought about, and the tragic symbol we have in the result—the suicide of Jan Masaryk—I am sure the Senator will agree that what has happened to Czechoslovakia in the interim to which he has referred has put an infinitely greater challenge behind the question which confronts us, along with the other free countries that are left in this world—in short, the question as to what happens next, and where we go.

Mr. WHERRY. Well—

Mr. VANDENBERG. Mr. President, I have not finished yet. In addition to the Czechoslovakian exhibit—and the whole world has been shocked by the Czechoslovakian exhibit; it makes as much difference between the two situations as the difference between day and night—in addition to that, we know very well that the very precious and very brave little country of Finland has been called—we know not what for in detail, but imagination supplies the details—has been called to an accounting which may put it in chains in respect to our ideas of independence and autonomy. We know that for the first time the Scandinavian countries of Norway, Sweden, and Denmark are in the grip of a tragic anxiety as to what their future is to be, as a result of this conspiracy of aggression which seems to be on the march at a tempo infinitely greater than it was at the time to which the Senator originally referred.

So my answer to the Senator from Nebraska is that I know he will be among the first to agree that the situation which we confront today is infinitely more challenging than it ever has been before.

Mr. WHERRY. Mr. President, I hope the Senator from Michigan will bear with me, because I have a feeling that the American people want to know what has happened since the passage of the European recovery program legislation which now would warrant the implementation of other methods, to the extent that is being requested by those who appear before the Armed Services Committees and by others, to stop the threat of communism. I think the American people are entitled to know, and I think the Members of the Senate are entitled to know.

Mr. VANDENBERG. Well—

Mr. WHERRY. I ask the Senator from Michigan to wait for a moment, please.

Mr. VANDENBERG. Yes; but I do not think the Senator should ask me to engage in a debate with respect to selective service or universal military training in connection with this matter.

Mr. WHERRY. I certainly do not. All I am asking the Senator is this: Has something happened since the debate on the European recovery program legislation?

Mr. VANDENBERG. Yes; and I just told the Senator from Nebraska what it was.

Mr. WHERRY. Is that all that has happened?

Mr. VANDENBERG. That is enough.

Mr. WHERRY. Very well.

Mr. VANDENBERG. I mean it is enough for me, and I think it is enough for the Senator from Nebraska, too.

Mr. WHERRY. Very well. I was one of those who voted against the European recovery program measure because at the time I felt, and I think the Senator from Michigan will recall, and I am sure the distinguished Senator from Massachusetts will recall—

Mr. VANDENBERG. Mr. President, I shall never forget the Senator from Nebraska in that connection.

Mr. WHERRY. Very well. I thank the Senator.

So something has happened. In voting on the request made by the administration, I wish to justify my vote on the basis of what is going to happen. I am pleading today with the distinguished chairman of the Foreign Relations Committee to tell the Senate everything he knows about why this change has come about and what the change is; and I am asking the President of the United States to tell the people. All we have heard from him, at the joint session, is that the situation is critical. Well, Mr. President, just what has happened?

I do not wish to go back. I agree with the distinguished Senator from Michigan that the situation has been changed hourly, apparently. Yet we have to justify the proposed rearmament program. I shall be one of the first to see to it that we prepare from the standpoint of national security. But we have to justify it. There must be a need. There must be something that has happened. That is why I asked the question of the distinguished Senator.

What has happened in China? Is the situation very different from what it was when the other legislation was proposed? Is the situation today in Europe different from what it was when the Congress passed the European recovery program legislation? All I have to do is remind the distinguished Senator from Michigan of the testimony of Secretary Royall and of the colloquy the distinguished Senator from Michigan had with him—

Mr. VANDENBERG. There is no doubt about that.

Mr. WHERRY. To make it unmistakably clear that at that time it was the economic approach, and that was all, and at that time we were given to understand that if we could provide the appropriations for the economic approach, we would not have to have the draft or we would not have to implement the program by taking steps along military lines.

Let us consider one or two of the colloquies. Let us consider first the colloquy appearing on page 469 of the hearings:

The CHAIRMAN. I want to make one other point in your testimony inescapably clear. You said in your opening statement yesterday, and I quote:

"I firmly believe that enlightened cooperative economic endeavor as visualized in the European recovery program can go a long way toward reducing the necessity for large-scale national armaments, and that without some such effort the Army and its budget should be immediately and measurably increased."

As I understand you, what you were saying is that if it were not for the prospect of organized economic stabilization as a source of security you envision an alternative situa-

tion which would require immediate and measurable appropriations for larger-scale national armaments than have been thus far requested?

Secretary ROYALL. That is correct, sir.

Then the distinguished Senator from Michigan put the matter still more bluntly; and, Mr. President, the word "bluntly" sounds very familiar to me:

The CHAIRMAN. Put still more bluntly, is it fair to say that your judgment offers us the choice, in part, between appropriations for economic cooperation on the one hand, or greater appropriations for military purposes in the interests of our ultimate national security?

Secretary ROYALL. That is my judgment.

I shall not read the remainder of the colloquy; but I should like to have inserted in the RECORD at this point two of the last paragraphs on page 470, where Secretary Royall said the following:

The CHAIRMAN. I want to add that it is obvious that the Secretary has not engaged in a militaristic proposal in his testimony because his testimony is all in favor of following the course which will minimize the necessity of militarism.

Secretary ROYALL. That is my firm conviction as to the best course.

Again, on page 472, the chairman wanted to be absolutely clear about this, and he asked:

You are not saying to us that we have to take this bill or else—

That is, the ERP, or else—

You are saying to us that there are two routes which we can follow in the pursuit of national security, one route is economic and the other is military, and that if we abandon the one we have no alternative except to recur to the other one.

With that I am in total agreement. There are other colloquies and statements which could also be cited, to the effect that there was this approach, the economic approach.

That was in January. In the discussions on ERP it was again stated repeatedly on the floor that the entire approach apparently would be the one course that, if followed, would prevent large rearmament, and that a national program of rearmament would be the alternative. And so we went into the debate. I took the position that to continue to appropriate in making the economic approach would be a waste of money, and that if it were desired to stop communism, it would have to be done by something other than dollars.

Within 48 hours after the passage of ERP, we had notice of a joint session of the Congress of the United States. The next day the President came before the joint session, advocating all the things that had been previously discussed here relative to the military approach.

I believe the people of the country are in a state of confusion. At one moment we are told the economic approach will suffice, and within 4 days thereafter we are told it must be supplemented, and that if communism is to be stopped there must be the implementation suggested by the President of the United States. That would go so far, I think, as to put this country on a wartime economy.

If that be the only alternative, I am asking the distinguished Senator from Michigan, following the passage of ERP

by the Senate, after discussions of the situation of Czechoslovakia, which situation was expounded at great length, and at which time Finland and the pressure that was being brought upon it was definitely stated and accepted and debated upon the floor, what has happened? It seems to me that something more has happened. Has the same pressure been placed on Sweden, on Norway, on Denmark, or any of the other countries? Has it been definitely exerted against any one of them? It has been rumored that it has, but is there anything in the testimony on which we may put our finger showing that that is true? If it be true that aggression is to extend across Europe it would make it so much easier for some of us, I think, to vote for appropriations to implement the United Nations organization as we thought it ought to have been in the first place.

I think the American people are entitled to know. I think that if we are going to get into a war the people of the United States should be told the truth. I am not saying that the distinguished Senator or anyone else has been untruthful. I am simply saying that to me it is necessary in order to justify the ends that are sought to know what has actually happened.

So, in all sincerity, with a feeling that it possibly will take, as I said before, more than the economic approach, I again ask the distinguished Senator from Michigan if he can give us any further light than what he has already given about the emergency that confronts us at this moment.

Mr. VANDENBERG. Mr. President, if the Senator has finished his question, I shall be glad to rise again.

Mr. WHERRY. It is a long question, certainly; but a change—

Mr. VANDENBERG. I thought the Senator was ready to have me answer it.

Mr. WHERRY. A change has come over the foreign policy hourly; I agree that it has, and I think the facts should be told to the American people. I think if told to the people, there will be no question at all about the rearmament program or about any of the aid that is being asked. That is my feeling, but I have no evidence that is different from what is in the committee's report, except what the President said in his message to the joint session of Congress, that things were at a critical stage. They have been critical since the war ended. The distinguished Senator has stated that the situation has changed greatly in Czechoslovakia—and I think it has—but does it justify the means we are justified by way of implementation not only of ERP, but does it justify the means which are being asked in connection with aid to China?

If I properly interpret what it is proposed to do, we are appropriating \$100,000,000 which we know will probably be used by the Chinese Government for military purposes.

I trust the Senator from Michigan has had a rest and will answer the question.

Mr. VANDENBERG. Mr. President, it is now a quarter of two. I think I answered the Senator's question about a

quarter after one, and I think I answered it at that time completely.

Mr. WHERRY. The Senator said he was satisfied.

Mr. VANDENBERG. I gave the Senator the facts of life that have occurred in the interim since the time about which he originally spoke. Now, if those are not impressive to the Senator—

Mr. WHERRY. They are.

Mr. VANDENBERG. No, just a moment. I have the greatest respect for the Senator's opinion in connection with all these questions, despite what seems to be a fundamental disagreement between us.

Mr. WHERRY. I do not believe that we disagree fundamentally.

Mr. VANDENBERG. I do not know what the Senator calls a fundamental agreement. I cannot recall when we have seemed to strike a note of harmony in connection with any phase of the matter. But that is beside the point.

The Senator, in the first place, is now seeking to inject into the debate a subject which I think is unrelated to the China relief bill, unless it be in a purely incidental fashion and is involved in the far more fundamental question of military preparation in our own country, through the selective service or universal military training. I do not propose to undertake to discuss that question today. I have no secret information regarding the situations abroad. From my point of view I need no further information than I can read on the front page of every afternoon newspaper, to know that the situation is constantly worsening in respect to the aggressive forward march of communism which apparently intends to be utterly ruthless in seeking to overcome the independent governments of Europe. I think the United States has a tremendous interest at that point and I am prepared at all times to undertake to serve what I consider to be America's self-interest.

So far as the China-aid bill is concerned, it is the same bill which was before Congress at the original time of which the Senator speaks. If there is added military emphasis in this bill it is very largely the result of the demands of Members of the other House—

Mr. WHERRY. That is correct.

Mr. VANDENBERG. And of the Senate.

Mr. WHERRY. That is correct.

Mr. VANDENBERG. It certainly has not been at the demand of the State Department; and that ought to be a part of the record, so there can be no misunderstanding about it.

We have undertaken to write this new provision into the law in a fashion which least commits us to any military cooperation on our own responsibility. We have wanted to preserve such a situation that Congress would be completely free to make its own decisions in respect to any military commitments. I see nothing that has happened in the record which for an instant dilutes the necessity for the passage of the pending bill as it was originally presented. On the contrary, I think that the other things which have happened and which I have outlined in detail to the Senator, in central Europe

and in Scandinavia, simply further underscore the fact that we must take deep account of stock in respect to our own self-interest and our national security. In the opinion of the Senator from Michigan, it is still highly advisable to pursue to the maximum the possibility of emancipation through economic means.

I would not withdraw any economic program simply because it might require a supplement of a different character. The situation changes from day to day. The necessity for the emphasis in our answer changes from day to day. But I think the record stands clear that it is highly desirable in the present instance, narrowing the issue to the particular issue now pending before the Senate, that this bill should pass for the sake of its contribution not only to the physical resources of our great Chinese friends, but also to their psychology in connection with a global challenge to the hopes by which freemen live and the dedications for which we have fought.

Mr. WHERRY. Mr. President, will the Senator be patient enough for me to ask one more question?

Mr. VANDENBERG. I am glad to yield to the Senator.

Mr. WHERRY. I think that the China loan is related to ERP if, for no other reason, that in the parliamentary situation which will come about through the passage of these bills in the Senate, which are included in the omnibus bill which will come from the House.

Mr. VANDENBERG. I am sorry, but I did everything I could to prevent that situation.

Mr. WHERRY. I understand that. For that reason, when it is considered by the conferees, I think it will be found that it is not an unrelated matter. That is one of the reasons I think the question is a proper one, not only with regard to China, but with regard to ERP.

Mr. VANDENBERG. Any question which the Senator asks is a proper question, so far as I am concerned.

Mr. WHERRY. I thank the Senator. Would the Senator consider that he has made up his mind that the alternative course of supplemental aid, besides economic aid, is now warranted? Does the Senator see what I mean?

Mr. VANDENBERG. No; I do not see what the Senator means. Does the Senator mean, do I favor selective service and universal military training? Is that the question?

Mr. WHERRY. The distinguished Senator used the words "an alternative which requires supplemental aid in addition to economic aid," whatever that may be, in the China aid bill.

Mr. VANDENBERG. The Senator is quite correct. That refers to the \$100,000,000 which at the option of China can be used by her to purchase military supplies.

Mr. WHERRY. Has the Senator come into possession of any facts, or have witnesses testified before his committee as to any serious facts, which justify the distinguished Senator's feeling that not only the economic approach, but the alternative approach should be used in handling the situation in Europe?

Mr. VANDENBERG. In China.

Mr. WHERRY. The Senator has already explained the situation with respect to China. I am asking with reference to Europe.

Mr. VANDENBERG. I shall not undertake this afternoon to pass judgment on the question of our supplemental obligations in Europe in our own self-interest. It is beyond the wit of man to anticipate what the situation may ultimately require. I do not know the answer. It is in the lap of the gods and is dependent upon events. I shall cross that bridge when I come to it.

Mr. WHERRY. It will have to be crossed, will it not, in the conference committee? In the omnibus bill is there not aid other than economic aid?

Mr. VANDENBERG. Only in the case of Greece and Turkey, which is a continuation of the original program.

Mr. WHERRY. I wish to thank the Senator for the information he has given. I am still groping for more evidence to justify the demands of the administration relative to the end results which are to be obtained.

Mr. VANDENBERG. I am sure that is entirely the fault of the Senator from Michigan, in being unable to meet the desire of the Senator for information, but in self-defense the Senator from Michigan will say that he never before collided with quite such an appetite.

Mr. KEM. Mr. President, approximately a year ago, on April 22, 1947, to be exact, the Senate passed the bill authorizing a \$400,000,000 "loan" to Greece and Turkey. This marked the initial phase of the so-called Truman doctrine to quarantine communism. The measure was opposed in this body by a number of its Members. The opposition was based generally on four grounds:

First. The plan bypassed the United Nations.

Second. The plan was in its essence a military program, although presented on a humanitarian basis.

Third. It is impossible to buy the good will of peoples with dollars.

Fourth. Our first concern should be to build a strong economy at home.

So far as the junior Senator from Missouri is concerned, each of these points is as valid today as when originally made. Nothing has occurred in the interval to cause him to think otherwise. These reasoned arguments apply equally to the second installment of \$275,000,000 of the Greek-Turkish program approved by the Senate last week, and also to the gift to China now under consideration.

THE CHINA PLAN WOULD BYPASS THE UNITED NATIONS

The President, in appealing to Congress on March 12, 1947, for the first Greek-Turkish installment, casually bypassed the United Nations, which the United States had taken the lead in establishing.

His address to Congress was delivered at the very time an 11-nation commission from the United Nations Council was in Greece trying to get the facts of the situation. The failure of the President to consult the United Nations was a fatal error, which was not corrected by an amendment, an afterthought of the proponents of the plan, providing that if the United Nations should ask

us to cease and desist, we should do so. The meaning of this is plain and cannot be camouflaged. In the very infancy of the United Nations this country establishes a precedent of policing another country without consultation with the United Nations and in utter disregard of provisions of the United Nations Charter. President Truman, in taking this action, either forgot or decided to ignore the advice of his late predecessor who in his report of March 1, 1945, on the Yalta Conference stated "Vaguely defined spheres of influence are incompatible with the basic principle of international collaboration."

The United States was not the only Nation that would have been and will be affected by the confusion and disorder which might result from Greece going communistic. This Nation, however, took the bull by the horns. Instead of submitting the problem to the United Nations, which had just been created for this purpose, the United States not only laid itself open to a misinterpretation of its own motives and aims, but did irreparable harm to the authority of the United Nations, to which it had at San Francisco pledged its support. Without the assistance and support of the United States the United Nations would never have been brought into existence.

Last Tuesday the Senate gave its approval to the second installment of the Greek-Turkish program, again making it known to the world in no uncertain terms that this country feels that the United Nations is still powerless to carry out the responsibilities for which it was created.

The United States continues to adhere to the position that we are the sole hope of peace in this troubled world. The other members of the United Nations are in effect told that they shall have no voice in establishing peace in the Mediterranean. We shall carry on alone.

Mr. President, we are asked to direct our go-it-alone peacemaking efforts to another area in this troubled world; to vast, turbulent China, struggling in the throes of civil war. In his message to Congress on February 19, 1948, the President stated:

The United States has long recognized the importance of a stable Chinese nation to lasting peace in the Pacific and the entire world. The primary objective of the United States is to bring about throughout the world the conditions of a just and lasting peace.

Mr. President, if that be the situation, and if that be our purpose, is it not a situation in which it is logical to utilize the facilities of the United Nations in an effort to secure a solution? If the peace of the world is threatened by the China problem, as the words of the President indicate, why should we not appeal to the United Nations before attempting to effect a solution of our own? The United States, in proceeding in this fashion in an effort to solve all the problems of the world, is steadily destroying the original and fundamental concept of the United Nations, upon which the hopes and aspirations of millions of our fellow citizens are centered.

Insofar as I am aware, there has been no action on our part to utilize the policing function of the United Nations in

seeking a solution of the China problem. Did we not accept the United Nations as a means of world peace and security? Why, then, should the United States take unto itself the full responsibility of deciding how world peace should be maintained, when the problem had been and has been specifically assigned to the United Nations from the outset?

If the United Nations is not sufficiently strong for the task, then let us use our resources and our energy to make it strong. If the fundamental Charter of the United Nations is inadequate or ineffective, let us direct our attention to the amendment of that Charter.

The senior Senator from Michigan [Mr. VANDENBERG], in a speech on February 5, 1945, delivered before the Varsity Club of Detroit, stated:

The nearer we come to vanquishing our enemies the more we become inevitably conscious of differences among the victors. How do these differences disclose themselves? Usually by unilateral decisions in which one or another among the United Nations makes its own announcement, pronounces its own interpretation upon its own rights regardless of the fact that their rights, for all of us, flow from common effort. I assert that all vital decisions should also flow from the same sort of common effort.

Mr. President, we have been told about these chain reactions in foreign affairs. Should not a decision which, by a familiar chain reaction, may lead to establishing an American frontier in upper Mongolia, "flow from the same sort of common effort," or should we proceed to admit further that our hopes and aspirations in creating the United Nations have been in vain? Are we willing to relegate the United Nations to the status of a mere debating society?

THE CHINA PLAN IS A MILITARY PROGRAM, ALTHOUGH PRESENTED ON A HUMANITARIAN BASIS

In the second place, Mr. President, I think it has been fully developed by the very frank and candid admissions of the senior Senator from Michigan, and by his colloquy with the able Senator from Nebraska that the China plan is in its essence a military program, although presented, as before, as a humanitarian effort.

Some of those pressing at the last session of the Congress for the enactment of the \$400,000,000 Greek-Turkish so-called loan, made efforts to camouflage its definite military character by presenting it primarily as a measure for economic assistance to those countries. They rang the changes on the humanitarian argument.

President Truman, in his address before a joint session of the Congress on March 12, 1947, urging passage of the measure, stated:

Greece is today without funds to finance the importation of those goods which are essential to bare subsistence.

The President said further:

Greece is in desperate need of financial and economic assistance to enable it to resume purchases of food, clothing, fuel, and seeds. These are indispensable for the subsistence of its people.

Great emphasis was laid on the lack of the necessities of life in Greece, although

little was said about those circumstances in Turkey. Last April 8 the senior Senator from Michigan, referring to the plans for Greece, stated on the floor of the Senate:

Lest there be an overemphasis in the wrong place, I hasten to add that our contemplated military mission involves only 10 to 40 officers and no combat troops.

However, in the report of the Committee on Foreign Relations on the recent bill, proposing a second installment to Greece, which was quoted by the senior Senator from Michigan on the floor of the Senate, it was stated that—

There are at present 242 United States military and 41 United States naval personnel, or a total of 283 attached to the military sections of the American Mission for Aid to Greece.

That, Mr. President, referred to the American mission to Greece. In other words, Congress was asked to authorize a military mission to Greece of 10 to 40 persons. We find that, under the bill that was passed, there are 283 officers and men now present in that country.

The original purpose of assistance to Greece and Turkey called for the expenditure of \$300,000,000 to Greece, \$150,000,000 to be for military purposes, \$150,000,000 to be for economic purposes. We now find that \$14,000,000 has been diverted from the economic to the military program, making a total of \$172,000,000, instead of the originally planned \$150,000,000. Of course that mere \$14,000,000 in these days of grants of billions of dollars is of no significance, but the principle involved, the fact that the administration would, without apology, transfer from one purpose authorized by Congress to another, is significant. We are tempted to ask, "After all, was this original break-down merely given us for the purpose of making the measure appetizing to the Congress and to the American people, or is it being made palatable by being fed to us in small doses?"

Now we are asked to provide aid to China, in the amount of \$463,000,000. The committee bill states:

It is the purpose of this act to provide immediate aid to China to relieve human suffering—

The same language again, Mr. President—

to assist in retarding economic deterioration, and to afford the people of China an opportunity to initiate measures of self-help necessary to rebuilding the bases for more stable economic conditions.

So far as I have been able to determine the bill does not mention military aid. However, the bill provides for an additional \$100,000,000 to be authorized to China through grants on such terms as the President may determine, and the report states that it may be assumed, and I think the Senator from Michigan has said that it may be assumed, that this \$100,000,000 will be used for military purposes.

Mr. President, there is a maxim in the law: "Facit per alium facit per se"—He that acts through another acts himself.

I do not think we need delude ourselves or continue in any false paradise to believe that when we grant money to a country those against whom our money

is used will not consider us their military enemies. So we are asked to quarantine communism again—this time in China.

The initial phase of the program is presented to us on a humanitarian basis, but, Mr. President, I suppose none of us will be gullible again. Indeed, in the President's recent message on aid to China we find this significant remark:

The financing of these essential commodity imports by the United States would permit the Chinese Government to devote its limited dollar resources to the most urgent of its other needs.

Of course it need not be pointed out that the most urgent of its other needs is of a military character. In other words, Mr. President, this project is war, and it is not conceived for purposes in anywise pacific.

We find the well-worn humanitarian appeal is resorted to once again in urging us, or enticing us, to commit ourselves to a new area in the world. Just as the original Greek and Turkish loan was mere window dressing for the expansion of our military frontier on the Dardanelles, so this proposed gift to China is mere camouflage for the establishment of a military beachhead somewhere in the vast reaches of China, to be held by the blood of American young men, if necessary. As Theodore Roosevelt once said, "You cannot shake your fist and then shake your finger." Once we are committed, it is only a question of time till the American soldier will be called upon to follow the American dollar. We shall hear again, as we heard last week from the distinguished senior Senator from Texas [Mr. CONNALLY], "We cannot turn back. We have got to see it through. The prestige of the American Nation is involved."

Mr. HAWKES. Mr. President—

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). Does the Senator from Missouri yield to the Senator from New Jersey?

Mr. KEM. I yield to the Senator from New Jersey.

Mr. HAWKES. The Senator realizes, does he not, that no Senator and no Member of the other House, representing the people in the Congress, can possibly predict that we cannot turn back? The people are going to decide whether we are going to turn back, and sooner or later they are going to decide whether we should have been doing the things we are doing.

Mr. KEM. I think the Senator from New Jersey is quite correct. He usually is. I submit to the Senator from New Jersey that we are laying ourselves open to one of those chain reactions which are so eloquently referred to by the senior Senator from Michigan.

Mr. HAWKES. Mr. President, will the Senator yield further for a moment?

Mr. KEM. I am glad to yield.

Mr. HAWKES. Does the Senator know of any nation in the United Nations today, outside the United States of America, which is in that organization for the purpose of doing what it ought to be doing for others to bring about peace, or is it in that organization for what it can get out of it?

Mr. KEM. Mr. President, so far as I have been able to follow the proceedings

of the United Nations the spirit of altruism has not characterized them.

Mr. HAWKES. Now for the sake of argument, let us admit that many of the nations, or most of them, are unable to do what they ought to do by way of contribution to the United Nations. Does not the Senator think that instead of our circumventing the United Nations in everything we are doing today, even though we are the contributors of everything that is being contributed, the contribution ought to be made through the United Nations, and not by circumvention of the United Nations?

Mr. KEM. I agree with the Senator from New Jersey, and I thank him for his contribution.

Mr. President, my point is that the locale may differ but the pattern is the same. In the case of Greece the proposal at first was primarily for economic aid presented on a humanitarian basis. Now we see in Greece it is more for military aid, and increasing numbers of military personnel. In western Europe economic aid was asked through ERP, but, judging from the President's recent message a request for military aid may soon be forthcoming. And now it is economic aid for China. Aid to Greece, aid to Turkey, aid to China have this in common. They are toll houses on the road to war.

Mr. President, in order to keep the record straight, let us look at some recent American history. In a speech at Boston, Mass., on October 30, 1940, President Roosevelt, in his campaign for reelection had this to say:

And while I am talking to you mothers and fathers, I give you one more assurance. I have said this before, but I say it again and again and again: your boys are not going to be sent into any foreign wars.

At the same time the Right Honorable Winston Churchill, Prime Minister of Great Britain, was talking in the same vein. In a speech to the House of Commons at the opening of a new session on November 21, 1940, the Prime Minister said:

I look to a time when the arsenals and training grounds and science of the New World and of the British Empire will give us that added material superiority which, added to the loyalty of constant hearts, will bring victory and deliverance to mankind.

So, Mr. President, in 1940, neither the President of the United States nor the Prime Minister of England apparently had the slightest contemplation that any American boys would be called upon to give up their lives on the battlefields of Europe.

Again, in his message to the Congress on January 6, 1941, President Roosevelt stated:

Our most useful and immediate role is to act as an arsenal for them—

Referring to the embattled allies in Europe—

Our most useful and immediate role is to act as an arsenal for them as well as for ourselves. They do not need manpower. They need billions of dollars worth of weapons of defense.

We are told now that in China, as well as in Greece and Turkey, they do not need manpower; what they need are weapons of defense.

In 1941, at the same time President Roosevelt was addressing the American people in that vein, Mr. Churchill, still Prime Minister of Great Britain, was talking in the same vein to the people of his own country. On January 17, 1941, in an impromptu speech at Glasgow, Mr. Churchill said:

We do not require in 1941 large armies from overseas. What we do require are weapons, ships, and airplanes.

Again, in a memorable address on February 9, 1941, Mr. Churchill said:

We shall not fall or falter. We shall not weaken or tire. Neither the sudden shock of battle nor the long-drawn trials of vigilance and exertion will wear us down. Give us the tools and we will finish the job.

Mr. President, I think it is interesting to see the great similarity between the course of events then and the course of events now. I think that before passing this bill we may well call to mind the eloquent words of a former Senator from Missouri who, although he sat on the other side of the aisle, will always be honored in my State. I refer to the late fiery, eloquent, gifted, and talented James A. Reed. Mr. Reed, on an occasion not unlike this, used this language:

It is one thing for a man to volunteer his own service and imperil his own life voluntarily. It is quite another for a legislature to vote a contract that may compel the death of millions of people who have nothing to say about making the contract.

For my part, Mr. President, I have utterly lost faith in war as an instrument of peace.

IT IS IMPOSSIBLE TO BUY THE GOOD WILL OF PEOPLES WITH DOLLARS

The third proposition to which I wish to invite the attention of the Senate is that it is impossible to buy the good will of people with dollars. We have learned that in other parts of the world. We have learned that vast sums of lend-lease and UNRRA aid extended to the Soviet Union, to Yugoslavia, and to Czechoslovakia have created something less than cordial relations between those countries and the United States. So far as I have been able to find out, we have never been able to convert any Communists to democratic concepts by the use of dollars.

We were told by the senior Senator from Michigan when he was presenting the bill for the second installment of the Greek gift that in Greece there were only 14,000 guerrillas in the field in May 1947. But despite our liberal aid, granted in the amounts requested, that number has now been increased to 26,000—nearly double the number of guerrillas a year ago. It has been said in this body that we have been supplying the sinews of war to both sides of the battle line in Greece. But wherever they have come from, the guerrilla forces seem to have waxed and grown stronger day by day.

In Czechoslovakia \$300,000,000 of post-war American aid did not prevent the Communists from adding that brave little country to their fold.

One of the most important factors operating to nullify our efforts to buy good will and converts to democracy is the earnest desire of each country to pre-

serve its sovereignty. We have learned from bitter experience that intergovernmental loans only create friction and an ill will on the part of both the borrower and the lender. The United States has learned the hard way that no matter how high-minded our intentions may be in our efforts to aid other nations, it is almost impossible to dispel doubts as to our underlying motives. We still have not convinced many Europeans that Uncle Sam is not going on a wild spree of dollar imperialism with the Truman-Marshall plan.

We are told that in ancient China the concept of national sovereignty reigns supreme. Not only have we found that nearly \$3,000,000,000 in aid which the United States has disbursed since the end of the war has failed to create any improvement in a desperate economic situation, but there has been engendered a feeling of actual hostility toward the people of the United States for interfering in Chinese internal affairs. If additional economic grants to China are to serve any useful purpose whatever, the United States should be able to prescribe conditions as to how the money is to be spent.

On March 12, 1948, Dr. Sun Fo, Vice President of China, expressed the apprehension of members of the Chinese Central Government over the extent of outside control that might be associated with the China-aid program. "China," said Dr. Sun Fo, "was eager to preserve her national sovereignty and self respect, and would insist upon the right to reject advice if it is not acceptable." I continue to quote from Dr. Sun Fo:

Among our people there is apprehension about too much interference in running the country.

A number of foreign observers have conceived that lifting the ban on foreign inland shipping would help solve the transportation shortage, but Dr. Sun Fo said:

We would object if we were asked to open our inland transportation system to foreign shipping.

Thus this sovereignty consciousness, creating a complication in terms of Nanking's dependence on foreign assistance, in the opinion of competent observers is sure to prove a barrier in the way of an American effort to assist China out of its economic morass. In passing it may be said that it is almost certain to furnish a similar stumbling block in 16 countries of western Europe to which we have just voted aid.

The United States has poured out billions upon billions of dollars and sent them down the European rat hole without appreciable results. But in our efforts to assist China we have been confronted, and are now confronted, by no mere rat hole. It is rather a bottomless pit, or an abysmal morass. In spite of all the money the United States has poured out, conditions in China have grown more and more desperate. The inflation of the currency is completely out of hand. Perhaps Senators noticed that one of the witnesses before the House committee testified that a \$100 bill which he held in his hand was not

actually worth the cost of the paper upon which it was printed. Anarchy threatens to engulf the land. First-hand observers return with stories of corruption, waste, and incompetence from the top to the bottom of the Nationalist government. The military situation there is equally deplorable. It has been stated that for every Communist killed by the Central Government, four more are created by the unfair tax policies of the Central Government, its cruel police-state methods, and its failure to check inflation.

Our support of a regime that has grown more and more unpopular in the last year or so will reap for the United States only a lasting harvest of hatred.

Secretary Marshall in his testimony before the House committee on February 24, 1948, stated:

For the main part, the solution of China's problems is largely one for the Chinese themselves. Local governments are often so corrupt that they are undependable for assistance in the administration of relief methods. The political control by long-entrenched groups is a great difficulty to be overcome in the restoration of China to economic stability.

Mr. President, if I correctly interpret the address of the President of the United States on this subject and the testimony of his Secretary of State in regard to it, the only thing expected from this measure is a breathing spell to help retard the present rapid rate of deterioration. No effective results are even hoped for. Yet, as in Greece and Turkey, once we have shaken our fist at the Communists in China, we shall find that we cannot then shake our finger, for economic aid admittedly will serve no useful purpose.

General Chennault has testified that substantial portions of the military equipment we have furnished to China have already fallen into the hands of the Communists. It is only a question of time when we shall receive requests to send American boys to do the job that our economic and military aid has not succeeded in doing. Shall we then be told by able and distinguished members of the Foreign Relations Committee that we cannot turn back, but that we have placed our hand at the plowshare and our prestige is at stake?

American military missions, Mr. President, already are accompanying American dollars into the far reaches of the earth. They are asked to accompany them in this connection. Are we ready to follow those missions with the cream of American manhood to defend putative frontiers on the Yangtze, the Dardanelles, the Oder, and the Hellespont?

Mr. President, let us turn again before we are told once more that our prestige has been involved and that we are committed.

Mr. HAWKES. Mr. President, will the Senator yield to me?

Mr. KEM. I yield.

Mr. HAWKES. I am very much interested in what the Senator has said about defending those frontiers. They were established by certain rulers in agreement with one another. We thought we fought a war for a given purpose, but when we got all through

with it we discovered we had not fought it for that purpose at all, did we not?

Mr. KEM. Exactly.

Mr. HAWKES. Is there any reason to assume that if we sacrifice a large part of our manhood in defending almost all the rest of the world and in undertaking more than we can possibly live up to, after we establish those frontiers, they will be the frontiers we want, and they will remain intact?

Mr. KEM. Mr. President, I see none. We fought the First World War to destroy the Kaiser. We were told then that we were fighting that war to make the world safe for democracy. Subsequently we raised up Hitler. Then we destroyed Hitler, and we were told that we were doing that to preserve the "four freedoms." Then we raised up Stalin.

In the First World War we were told that the American frontiers had gone to the Rhine. Now we are being told, in effect, that the American frontiers have gone to the Oder, the Dardanelles, the Hellespont, and the outer reaches of Upper Mongolia.

Mr. HAWKES. Mr. President, will the Senator further yield?

Mr. KEM. I yield.

Mr. HAWKES. I wonder how many Americans realize that when the war in Europe was ended the United States had 3,400,000 of the finest-trained, finest-equipped soldiers that ever were put into an Army on the Continent of Europe. It is estimated that it cost from \$150,000,000,000 to \$200,000,000,000 to get them there.

The British Government had there from 750,000 to 780,000 of the best-equipped and best-trained British soldiers they ever had. So there we sat, in a wonderful position. We at home thought we had fought that war for a certain objective. That objective could have been definitely defined at that time. Yet the rulers of Great Britain and the chiefs of this country failed to take advantage of that wonderful opportunity and that situation—a psychological situation, if you please—and have Mr. Stalin sit down and agree that we had fought that war for a certain objective, and then define it. Instead of doing that, we brought back to our own country most of those 3,400,000 soldiers, and the British Government took most of their soldiers out of continental Europe.

So, after we had gotten into that wonderful position, which impressed the whole world, we began to talk about what we fought the war for and what we wished to agree upon. Of course we have reached no agreement, because Mr. Stalin is not worried about our ever getting 3,000,000 soldiers back into continental Europe. The only thing he fears in all this world is air power. If this Nation does not make itself supreme in the air, then I say God help the intelligence of the American people.

Mr. KEM. Mr. President, I thank the Senator from New Jersey, and I expect to say something on that point before I conclude.

Mr. HAWKES. I thank the Senator very much for yielding to me.

Mr. KEM. I have been glad to yield.

Mr. President, I think what the Senator from New Jersey has said amounts

perhaps to this: That the statesman who sent our doughboys to fight those two wars were able to state their objectives in very eloquent terms; but after those wars were over, they found greater difficulty in specifically stating their accomplishments. Is that what the Senator from New Jersey has in mind?

Mr. HAWKES. Yes; that is what I meant. I also meant that the statesmen, if they may be called such, or the diplomats or the executives of these great governments failed to take advantage of a situation which, if properly taken advantage of, might have led to the peace of the world. But, instead, they lost their powerful position before they began to talk about what we fought the war for and whether we were in agreement along lines which lead to peace.

Mr. KEM. Mr. President, I should like to ask the Senator from New Jersey whether he is in accord with me in the view that I have lately expressed; namely, that I have utterly lost confidence in war as an instrument of peace.

Mr. HAWKES. Mr. President, I cannot be more in agreement with the Senator on anything else in all the world. I say to him now what I have said publicly for several years, namely, that unless we help rebuild the world, morally and spiritually, all these difficult problems will continue to arise, just as they have for thousands and thousands of years in the past.

Mr. KEM. It seems to me that we have added to the cycle a rather interesting refinement, namely, the idea that it is the duty of the victors to rebuild the country of the vanquished. So far as I know, that concept has never before appeared in the history of mankind. So, Mr. President, if we go to war with Russia and destroy Stalin, I suppose in a few years we shall have presented to us a program for Russian recovery.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield to the Senator from New Jersey.

Mr. HAWKES. I think the Senator is quite right, but that concept of the duty of the victor, the one we are following, has never been even dreamed of in the history of the world, and in my opinion when we are through with that concept and with following it out the way we are attempting to do, and overreaching ourselves, in the words of Mark Twain, "Once upon a time, there was a man who tried to do too much, and he did it"—I think the world will say, "Once upon a time, there was a nation which tried to do too much, and it did it." I do not believe any people of intelligence, or even with slight intelligence, will ever attempt again to do what we are trying to do today, namely, take on and try to reform most of the world almost single-handed. Let us reform ourselves first.

Mr. KEM. The Senator agrees with me that if that is the purpose of the leaders of American public opinion, they are asking John Q. Public to bite off more than he can chew.

Mr. HAWKES. Mr. President, will the Senator yield again?

Mr. KEM. I am glad to yield further to the Senator from New Jersey.

Mr. HAWKES. I may be wrong, but I said to the Senator from Missouri a few moments ago that in the last analysis I think the people of the United States are going to decide, and before too long, whether they approve of this useless giving away of the United States. My contacts with people—and I am not talking about contacts with rich people, I am not talking about contacts with big business men; I am talking about contacts with the down-to-earth American citizen—lead me to believe that when the situation is explained to them, and the vastness of this project is understood in the slightest degree, three or four out of every five are opposed to the course their representatives are following.

Mr. KEM. I thank the Senator.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Indiana.

Mr. JENNER. I should like to ask the Senator from Missouri whether it has not always been the policy of our Government to help China in an hour of need?

Mr. KEM. So far as I know we have never aided and abetted the Chinese Government in any military project, in the entire history of the United States.

Mr. JENNER. Then does the Senator mean to say that this is a bill to provide military aid coupled with relief?

Mr. KEM. I mean to say it is to provide military aid to a large extent, and that the essential conception is military.

Mr. JENNER. What percentage of the appropriation for China would be applied to relief?

Mr. KEM. I think there is approximately \$350,000,000 for relief, and \$100,000,000 for military purposes. But it is stated in the report, perhaps very naively, that the economic aid given to the Government will enable it to turn to its more pressing necessities. So in effect, since the Chinese Government is at war, all her aid is of a military character.

Mr. JENNER. Assuming that the \$450,000,000 were truly applied directly to relieve the suffering and famishing Chinese, does the Senator have any statistical or other basis of fact that would enable him to inform the Senate what the appropriation would represent by way of aid per person in China?

Mr. KEM. I think, roughly, it would be \$1 a person.

Mr. JENNER. One dollar a person a year?

Mr. KEM. Yes, on this grant; and of course this is merely a start. They will be back. The Greek-Turkish program lasted a little less than a year. There is no reason, I suppose, to expect this will last longer than that.

Mr. JENNER. Then would the Senator say that the granting of \$100,000,000 for military aid is committing us to a military program in China that in substance means that we must finance the present Chinese Government until either it is successful or drives communism from its borders?

Mr. KEM. Mr. President, I can only say to the Senator from Indiana, I think we may be guided by the lamp of experience. When we sent lend-lease aid to the embattled Allies of Europe we were

told that it in no sense involved us in war. Yet, within only a few months, American boys were found fighting all over the world. I do not happen to recall a case of any power that aided and abetted another with money that did not sooner or later become involved with the wars of that power. It would seem to me to be an essential "chain reaction," to use the striking phrase of the Senator from Michigan.

Mr. JENNER. I thank the Senator.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from California.

Mr. KNOWLAND. Perhaps the Senator is going to touch on it later in his remarks, but I was wondering if he does not recognize what the significance might be if 450,000,000 Chinese came under the complete domination of the Communists, either Russia herself or a Communist satellite establishment of Russia in China, and if that 450,000,000 of manpower was made available to the two-hundred-and-some-odd million within the boundaries of the Soviet Union itself, plus the additional millions that have been forcibly taken behind the iron curtain. I am wondering if the Senator does not realize that that would have tremendous significance upon the ultimate security of the United States, and that while it might not present a problem for this generation in the next year or two, for our children it might present a problem that would be far greater than the problem of the civilized world at the time of Genghis Khan.

Mr. KEM. I agree entirely with the Senator from California. I doubt, Mr. President, if there is a Member of this body who has not given that very possibility hours, and I may say nights, of sleepless thought and consideration. I doubt if there is a Member of this body—and I say it reverently—who has not approached it with prayerful consideration. Yet, Mr. President, I have no reason to believe from anything I have ever been able to read in recorded history that the puny efforts now proposed will prevent that result taking place if it is in the womb of time.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from New Jersey.

Mr. HAWKES. The Senator referred to the puny efforts. That was only speaking relatively, because I know the Senator does not think of \$21,000,000,000 plus \$24,000,000,000 that has been given and loaned on unsound loans since the end of the war.

Mr. KEM. I was referring to the present sum of \$1 per person provided in the bill.

Mr. HAWKES. I realize what the Senator was referring to, but what I wanted to emphasize was that that need which to the world may seem puny from our national standpoint may be very enormous to us as an individual nation. Does the Senator realize that?

Mr. KEM. Yes.

Mr. HAWKES. Then I want to say to my very dear friend, the Senator from California, that I am just as deeply interested in the future of the youth of

America as is any other Member of the Senate, or I should not be standing here today, and I am not standing here for myself. We can do the youth of America, and I believe the youth of the world, incalculable harm, if we destroy this, the greatest Nation on the face of the earth, which is the only place where the lamp of liberty is burning, and the only place, in my opinion, where there is at present real hope for the development of true individual freedom and Christianity. If this great Nation should go down because of the foolish use of the national wealth and the destruction of its economic and industrial body, then I can only say to the Senator, catastrophe and ruin will face the youth of America. That is what I am interested in avoiding.

The Senator from Missouri knows that no one understands and can prove that he is right in his viewpoint on this great question. I do not impeach the integrity or the honesty of purpose of anyone else. All I can do, under my God, is to use the intelligence and the experience I have had in life in dealing with humanity and the knowledge which I have gained of the people of different nations, because I have been throughout the world and have seen them.

Mr. KEM. I take it that the Senator from New Jersey is guided by the lamp of experience, to use Patrick Henry's striking phrase.

Mr. HAWKES. I have never given up believing that is the best lamp to guide us in the present and in our hope for the future.

Mr. KEM. It is that lamp which I am imploring the Senate to use at the present juncture in its consideration of the bill.

Mr. President, time will not permit any extensive discussion of the vacillating policies we have already pursued in China. Our inept, vacillating policy toward the Central Government in China has succeeded in completely confusing both the Chinese and the American people, together with their representatives in Congress.

At one time, in the period after Pearl Harbor, the United States extended aid to both the Chinese Communists and the Chinese Nationalists in their fight against the Japanese. In October 1944, with the recall of Gen. "Vinegar Joe" Stilwell at Gen. Chiang Kai-shek's request, United States support was thrown behind the Nationalist Government. At approximately the same time Mr. Patrick Hurley was appointed Ambassador to China, but a year later, on November 27, 1945, he resigned his post with fiery blasts at the State Department for sabotaging his efforts to prevent the collapse of the Nationalist Government.

In a State Department bulletin issued on November 18, 1945, we find this statement:

It is neither our purpose nor desire to become involved in the internal affairs of China.

By this time full-scale civil war had begun between the Nationalists and Communists. President Truman then sent General Marshall as a special envoy to China with the personal rank of am-

bassador. His task was to bring about peace and unity—

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Connecticut.

Mr. McMAHON. I notice that the Senator did not spend much time discussing General Hurley's mission.

Mr. KEM. I referred to it only as showing the utter confusion, the vacillation, and the ineptitude of the American policy through the years in question.

Mr. McMAHON. I agree with the Senator. I would give that "the once over lightly." I would not pay much attention to that, because General Hurley came home and attended a session of the Foreign Relations Committee. As I recollect, there was a good deal of publicity which evaporated into thin air. So the less we say regarding the General's expedition the better it will be.

Mr. KEM. The Senator will perhaps agree with me that the less we say regarding the American policy in China in the past 4 years, the better.

Mr. McMAHON. I do not think that follows at all.

Mr. KEM. If the Senator will permit me—

Mr. McMAHON. I might find myself in agreement with the Senator on one phase, but certainly not on all phases. I cannot refrain from pointing out, however, that the Senator did not dwell too long on General Hurley's ambassadorial career.

Mr. KEM. I think perhaps the comment is in order, and I am glad to have that contribution.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. LANGER. I cannot sit here and listen to what the distinguished Senator has said regarding General Hurley without making the comment that, in my judgment, the man is honest and fearless. He was one man who gave up a job and defied the President rather than be a miserable tool. Is it not significant, Mr. President, that approximately 10 days ago we asked to see the agreements made by the late President Roosevelt during the past 10 years and by the present President, and the request was refused? Is it not significant that the distinguished Senator from Indiana [Mr. CAPEHART], with 22 other Senators, requested of the Committee on Foreign Relations, of which the distinguished Senator from California [Mr. KNOWLAND] is a member, that they be allowed to see the same agreements which the distinguished chairman of that committee [Mr. VANDENBERG] said he had not seen in toto?

Mr. KNOWLAND. Mr. President, will the Senator yield in order that I may correct the RECORD.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. ECTON in the chair). The Senator will state it.

Mr. LUCAS. Who has the floor?

The PRESIDING OFFICER. The Senator from Missouri has the floor.

Mr. KNOWLAND. Mr. President, will the Senator from Missouri yield in order that I may correct the RECORD?

Mr. KEM. I yield to the Senator from California.

Mr. KNOWLAND. In order to correct the RECORD, let me say that the junior Senator from California is not a member of the Senate Foreign Relations Committee to which the able Senator has referred.

Mr. LANGER. The distinguished Senator from California is on so many important committees and on many subcommittees, and he takes such a prominent part in the Republican leadership, that I naturally assumed he was on the Foreign Relations Committee. I wish he were on that committee, because if he were a member of it I would be satisfied that the Senate would have the benefit of his magnificent experience in the last war, and my judgment is that he could throw much light on what took place at that time.

I want to thank the distinguished Senator from Missouri for yielding to me. I simply wanted to make it plain that I think, of all the men who occupied responsible positions in the last war, among the leaders was Gen. Patrick Hurley. I do not propose to sit in the Senate and hear anyone say, even by innuendo, that he was not one of the best, without making answer.

Mr. KEM. I appreciate the contribution of the Senator from North Dakota.

Mr. President, I was quoting from a statement issued by the State Department on November 18, 1945, in which we find this language:

It is neither our purpose nor desire to become involved in the internal affairs of China.

By this time full-scale civil war had begun between the Nationalists and the Communists. President Truman then sent General Marshall as a special envoy to China, with the personal rank of ambassador. His task was to bring about peace and unity by broadening the Central Government to include the representatives of the large and well-organized group who were then without any voice in the Government of China.

President Truman, on December 16, 1945, stated:

The United States is cognizant that the present National Government in China is a one-party government.

He went on to say in general that peace, unity, and democratic reform in China would be furthered if the basis of the Government were broadened to include other political elements in the country. He further stated:

In line with its often-expressed views regarding self-determination, the United States Government considers that the detailed steps necessary to the achievement of political unity in China must be worked out by the Chinese themselves and that intervention by any foreign government in these matters would be inappropriate.

Special Envoy Marshall, however, was unsuccessful in effecting a reconciliation between the ruling party and the Communists, and on January 6, 1947, he returned to Washington to stay, being highly critical of the political and military reactionaries in the ruling party and

also of the dyed-in-the-wool Communists. President Truman, in a policy statement on December 16, 1946, had acknowledged the failure of American efforts to secure peace in China.

After what has been described as General Marshall's first failure, the tempo of American withdrawal from China was accelerated. Perhaps one of the factors that may have hastened the United States decision to quit China was the obvious and unabated hostility of the Chinese people to the American forces then in China. Thus our vacillating policy at the beginning of 1947 reflected a hands-off attitude toward the Chinese situation, and the administration directed our attention to the Greek-Turkish problem, leaving the Chinese primarily to look after themselves.

Then, in July 1947, the President sent General Wedemeyer to China as his personal representative to survey the situation. The general completed his mission in September, and returned to this country. He submitted a confidential report of his findings to the President and the Secretary of State. That report has never been released to the public or to the Congress. It has been described as too hot to handle from the State Department point of view. At any rate, it was suppressed.

It would seem, Mr. President, that before the Congress embarks on such a dangerous program as is called for by the China plan, the least we can do is to place ourselves in possession of all the available facts. We ought to have all the available facts before we reach a decision. Clearly our judgment can be no better than our information.

OUR FIRST CONCERN SHOULD BE TO BUILD A STRONG ECONOMY AT HOME

Mr. President, the fourth and last point to which I wish to address myself is a point that was ably presented on the floor of the Senate by the senior Senator from Colorado [Mr. JOHNSON], whom I see now sitting across the aisle, at the time of the debate on the Greek and Turkish problem. Perhaps I cannot state the point as well as the senior Senator from Colorado stated it, but in my language it is this: Our first concern should be to build a strong economy at home.

While the sum of \$463,000,000 is of course a relatively small sum compared with other gifts and grants we have made all over the earth, we must remember that it is in addition to nearly \$25,000,000,000 of American taxpayers' money we have invested in gifts to governments overseas since VJ-day. We are not permitted to forget that there are further vast and extensive contributions to foreign governments already in the offing.

Our economy has already been strained to the breaking point by our unprecedented generosity abroad. We hear on every hand complaints about high prices and high taxes. We have come to face the stark fact that the cost of these gifts to foreign governments must be paid for by the head of every American family in taxes and by every American housewife in high prices. The principal reason for high prices is the fact that goods and commodities have been purchased in such large quantities

by our Government and sent abroad. Undoubtedly foreign trade is fast drawing upon and dwindling our natural resources. Our traditional free-enterprise system is threatened by the lack of savings available for the accumulation of capital.

As has been frequently said, our country is only strong in comparison with the weakness of the rest of the world. The greatest contribution the United States can make to the world is to rebuild her own strength so that she can remain, as she is today, the bulwark of free government.

We have more pressing matters at home than many of the problems abroad. It is perhaps proper for the Members of this body to concern themselves with conditions of fertility in the valley of the Yangtse, but for my part I am more concerned about the loss of fertility in the valleys of the Mississippi and the Missouri. It is perhaps proper for Members of this body to concern themselves with underprivileged children in Shanghai, Hong Kong, and Canton, but for my part, Mr. President, I am more concerned with underprivileged children in St. Louis and Kansas City, in New York and Chicago. It would be far better for us first to look after our own people, develop our own resources, and stabilize our own economy, instead of bankrupting the Nation, impoverishing our people, and inviting disaster.

Of course, this is not the last foreign aid bill; this is only one of a long series which have preceded it and will succeed it, unless the American people, through their representatives in Congress, call a halt.

Since the beginning of this session Congress has been subjected to such a variety and number of requests for foreign aid similar to the gift to China that there is danger that we shall become inured to such injustices to the American taxpayer as to give our approval without careful consideration of the consequences of our action. There is danger that, having passed so many of these bills, we will not give any of them further and careful consideration. It seems to me I already sense a lack of the same careful, exhaustive, painstaking consideration of the China-aid bill that was given to the Greek-Turkish bill. There was certainly far less consideration given to the second installment of the Greek-Turkish bill than there was to the original grant for military and economic purposes in those countries.

I think it is safe to say that there are far too many fertile brains on the pay roll of the Department of State for there to be any let up in these save-the-world fantasies. If further proof is needed of that statement, I need only invite attention to a report—it may be merely a rumor—that the United States is now planning an aid-to-Japan program calling for the expenditure of some \$580,000,000 the first of the year. Under Secretary of the Army William Draper, head of an economic mission to Japan, told a press conference on March 26 that such a plan had been formulated by the Army and State Departments. The program was again characterized as purely economic, and not designed to influence

the Japanese in their political attitude. The Members of Congress may take solace in the fact that the first year's appropriation, we are told, would be the largest, the succeeding grants gradually to taper off.

Mr. President, I now enter upon a subject which perhaps should not be talked about. I know that many Americans are inclined to look askance at the opinions of the Father of His Country in matters of neutrality and national defense. I sometimes think that his memory and teachings are fading from the minds of modern statesmen. When his opinions are quoted or cited in a matter of this kind we are told that he was merely a simple country gentleman; that he never went to Europe; that the only language he was ever able to speak was the native English of his family and his Virginia neighbors. We are told that although he was undoubtedly a remarkable man, judged by the standards of his time, he can hardly be compared with the master minds now available in the State Department. Finally, to clinch the argument, as a sort of a *reductio ad absurdum* we are told that Washington never saw an airplane, a telephone, or a radio set, and from this conclusion we are led to believe that there is no harm in the pious gesture of reading annually in this body Washington's Farewell Address once a year, so long as its teachings are wholly disregarded.

I suppose the proposition amounts to this, that in this particular field there is nothing to be learned from the past; that in the field of foreign relations this is a new day; that we should disregard entirely what has gone before.

Mr. President, I do not think even a casual examination of the facts of history will serve to bear out that proposition. For example, American scientists take great pride in their knowledge of the inner workings of the atom, but long ago Lucretius in his great poem advanced the atomic theory which he derived from the Greeks of a much earlier period. Of course, scientists working in the mysteries of nuclear energy make full use of the accumulated knowledge of all the generations that have gone before. If this is the situation in the physical sciences, is it not even more true in sciences dealing with government and society where the chief element to be reckoned with is human nature itself?

I take it it is our duty here always to be receptive to ideas which would regenerate the world, but it is also our duty carefully to examine an idea to see if in the light of experience it is sound and good. Particularly should we exercise close scrutiny to discover if the idea is not new at all, or if in fact there is a record of a history of failure behind it. We are on notice that this is likely to be the case when the idea involves human nature and the capacity of human beings for self-control and self-government. Here indeed there is little new under the sun. Where such questions as these are involved we may well expect to be able to gain valuable knowledge by studying the experiences and the testimony of great men of the past who bore the responsibility for making decisions in their day and their generation.

Mr. President, does the fact that Washington never witnessed a jet plane in flight reduce to a minimum the value of his judgment in international relations? Does the fact that Jefferson never saw the marvels of radar justify us consigning all his writings to the ashcan so far as our problems of international relations are concerned? In their role as the leaders of this infant Government it fell to them to determine what policies should be followed at the start of its career. For my part I reckon Washington as the greatest man ever born on this continent. I say that, Mr. President, with full knowledge of the present geniuses now in the Department of State.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. LUCAS. The Senator from Missouri seems to take particular delight in castigating those in the State Department.

Mr. KEM. I merely refer to their record, I will say to the Senator from Illinois. If he considers that to be castigation, then the word will stand.

Mr. LUCAS. Will the Senator permit me to finish my question?

Mr. KEM. Yes.

Mr. LUCAS. I thank the Senator. The Senator from Missouri seems to take particular delight in castigating those in the State Department. I lay that premise to ask the Senator a question. Do I understand correctly that it is the opinion of the Senator from Missouri that the State Department is responsible for the passage of the European recovery program measure, and will possibly be responsible for the passage of the measure now pending before the Senate?

Mr. KEM. I think the State Department had a large measure to do with its origin. I think the State Department acted as midwife at its birth.

Mr. LUCAS. The Senator evades the question completely.

Mr. KEM. What is the question? I shall be glad to answer it.

Mr. LUCAS. The Senator from Missouri has been constantly discussing the employees in the State Department and telling what bad fellows there are in that Department. What I am asking the Senator is whether or not he believes that the State Department is responsible for the passage of the European recovery program measure in the United States Senate?

Mr. KEM. I just said to the Senator from Illinois that members of the State Department, in my judgment, officiated at the birth of the whole idea; that they are largely responsible for its origin and its conclusion.

Mr. LUCAS. I regret to find my able friend from Missouri casting that kind of reflection upon the intelligence and the judgment of Members of the United States Senate, because, so far as the Senator from Illinois is concerned, he would much prefer to follow the able Senator from Michigan [Mr. VANDENBERG], who championed the European recovery program through the United States Senate, than the able Senator from Missouri; and I am not following anybody in the

State Department when I make that statement.

Mr. KEM. Mr. President, in my short stay in the Senate I have been able to observe in action both the able Senator from Michigan and the able Senator from Illinois. I, too, would prefer to follow the able Senator from Michigan rather than the Senator from Illinois.

Mr. LUCAS. But in this case the Senator is not following either one of us. It so happens that the Senator from Michigan and the Senator from Illinois are on the same side so far as the European recovery program is concerned. The Senator from Missouri is not following either. The only thing I have found the Senator doing in his discussion so far is castigating those in the State Department.

May I ask the Senator one other question while I am on my feet?

Mr. KEM. I am glad to yield to the Senator from Illinois. It is always a pleasure to answer the Senator from Illinois.

Mr. LUCAS. I thank the Senator. As I understand, the Senator is against the measure now pending before the Senate?

Mr. KEM. The perspicacity of the Senator from Illinois is quite remarkable.

Mr. LUCAS. Of course, I did not think the Senator from Missouri would go into the question of the perspicacity of the Senator from Illinois, but if he wants to debate that subject, we will go into it later.

Mr. KEM. I shall be glad to discuss it with the Senator later.

Mr. LUCAS. Yes; we can do that.

Assuming to be true what the Senator from Missouri has said about our foreign policy in China, what does the Senator suggest we do, if anything, with respect to China?

Mr. KEM. If the Senator from Illinois will bear with me, I shall reach that point in the remarks I have to make, and I think the Senator, with the perspicacity he has demonstrated, will have no difficulty in determining exactly what I think we ought to do.

Mr. LUCAS. The only reason I propound the inquiry now is that I am afraid perhaps the Senator will not finish this afternoon. I am not going to be here tomorrow, and I wanted to find out exactly what the Senator had in mind with respect to what we ought to do, if anything, in regard to China. It is a perfectly proper question, and I am really interested, because I agree, to a certain extent, with some of the things the Senator has said. I know that our policy in China has not been a total success; but I should like to find out from the brilliant Senator from Missouri exactly what we can do, if anything, with respect to China. That is the point.

Mr. KEM. In case my remarks carry over until tomorrow, and in case the able and brilliant Senator from Illinois is not present in the Chamber, I shall obtain his address from the Secretary to the minority and send him a copy of the CONGRESSIONAL RECORD by air mail.

Mr. LUCAS. That is exactly the way many Senators do when they are asked a real question which gets to the meat of the situation, and when they are asked what they would do. They tell us that

they will send us a copy of the speech the following day. Now is the time for the Senator from Missouri to tell the country what he would do with respect to our foreign policy in China, and not wait until tomorrow.

Mr. KEM. Mr. President, I prefer to develop my argument in my own way. I am unable to accept the well-meant suggestions of the able Senator from Illinois.

Mr. LUCAS. It is always easy, Mr. President, to tear down a house. Many men who can tear down a house cannot build one. I should like to have the Senator tell us about a policy for China.

Mr. KEM. I have already told the Senator that I expect to suggest a policy which will be so definite and clear-cut that even the Senator from Illinois will have no difficulty in understanding it.

Mr. LUCAS. I doubt it.

Mr. KEM. I think I was saying that we may well expect to gain some knowledge by studying the experiences and the testimony of the great men of the past who have borne the brunt of making decisions in their day and generation. Therefore, simply because Washington never saw a jet plane and Jefferson never saw radar, I do not think we ought to discard to the limbo of uncertainty their testimony and their experience.

Let me reiterate, when we are called upon to deal with questions with respect to which the underlying conditions are in their essence constant, such as those in the field of international relations, we shall not go far wrong if we consider their advice today.

I am surprised, Mr. President, that I have not already been interrupted by some Senator saying, "Of course, you overlook the fact that with modern means of transportation we have one world, and that with technological advances in means of transportation and communication, as well as the development of powerful new weapons of destruction, the peoples of the world are constantly being drawn closer together in social, economic, and political relationships." We are told that because of this situation it is no longer possible for one nation long to remain aloof from the swirl of events in an ever-narrowing world. As I understand, advocates of the One World concept maintain that it is to the ultimate advantage of the United States to take the initiative in the field of power politics and mold world opinion to conform to our democratic concepts; that if necessary we should establish well-defined spheres of influence, to be held at all costs; that we should do this initially by dollar gifts, and then if our gold wall crumbles, I suppose it follows as a necessary corollary that American troops should be thrown into the breach.

Mr. President, a necessary corollary on the One World concept is this: It involves the deployment of American troops to all corners of the globe to protect our declared interests and dollar investments. We have already seen how the process works. We send out the money; then we send out the military mission; then we are told, "We cannot turn back; our prestige is involved; American interests are concerned."

At the present time we find ourselves committed in Greece and Turkey. We have, in effect, established a frontier on the Dardanelles and on the Hellespont. Increasing numbers of American troops—in an advisory capacity, to be sure—are being sent out to back up American dollars. Already we have hints that the blood and the advice of these and many others will be needed if we are to retain our foothold in that part of the world.

The One World concept, when carried to its logical conclusion, involves the presence and participation of our soldiers, not in one isolated sector of the globe, but in all potentially troublesome areas. Thus, today we find ourselves practically committed to defend the whole of western Europe, and are now asked to take the first step leading to a commitment to defend the frontiers of China.

It is my opinion, Mr. President—and I defer to the opinion of men in this body many years my senior in experience and service here—that the American people are not now, and in the near future will not be, willing to have their sons slaughtered in the implementation of this foolish concept. It is my opinion that it is a concept alien to the feelings and sensibilities of every honest-to-goodness American.

Mr. President, I have had something to say about the policies of the founding fathers. I know that they are familiar to every Senator, but I want to refer to them briefly for the RECORD. What were the policies of Washington which seem to have particular reference to these times? In the first place, he repeatedly warned us to steer clear of entangling alliances with any portion of the foreign world, and not to interfere in the internal affairs of other countries. Even before he was chosen President, Washington wrote to Sir Edward Newenham as follows:

I hope the United States will be able to keep disengaged from the labyrinth of European politics and wars.

Later he said:

I have always given it as my decided opinion that no nation had a right to intermeddle in the internal concerns of another; that everyone had a right to forward and adopt whatever government they liked best to live under themselves; and that if this country could, consistently with its engagements, maintain a strict neutrality and thereby preserve peace, it was bound to do so by motives of policy, interest, and every other consideration that ought to actuate a people so situated as we are—

Mr. President, attend these words—already deeply in debt, and in a convalescent state from the struggle we have engaged in ourselves.

Mr. President, I wish that those phrases could be written on the heart of every Member of this body.

In July 1791 Washington stated:

I trust we shall never so far lose sight of our own interest and happiness as to become unnecessarily a party to their political disputes.

Again, in 1793, Washington said:

All our late accounts from Europe hold up the expectation of a general war in that

quarter. For the sake of humanity I hope such an event will not take place. But if it should, I trust that we shall have too just a sense of our own interest to reject any cause that may involve us in it.

In a letter to Patrick Henry on October 9, 1795, Washington said:

My ardent desire is, and my aim has been—as far as depended upon the Executive department—to comply strictly with all our engagements, foreign, and domestic, but to keep the United States free from political connections with every other country, to seem independent of all, and under the influence of none. In a word, I want an American character, that the powers of Europe may be convinced that we act for ourselves and not for others. This, in my judgment, is the only way to be respected abroad and happy at home.

That was Washington speaking.

The other great policy of Washington which seems to have most immediate connection with our own times, was set forth at the very beginning of his administration, and was by him regarded as essential to the safety, the success, and the future of the United States. In his address to the Congress on the 8th of January 1790, he said:

Among the many interesting subjects which will engage your attention, that of providing for the common defense will merit particular regard. To be prepared for war is one of the most effectual means of preserving peace.

Again, on December 3, 1793, he said to the Congress:

If we desire to avoid insult, we must be able to repel it; if we desire to secure peace, one of the powerful instruments of our rising prosperity, it must be known that we are at all times ready for war.

I seem to sense that some of the Members of this body are somewhat amused at quotations from Washington. They seem to consider him a simple country gentleman. But, Mr. President, his accomplishments speak for themselves.

One other important point to be remembered is that when Washington announced a particular policy, he did it with a full realization of its dangers and difficulties, and with a complete intention of carrying it out. He was emphatically a man of action; and he never came to a momentous decision, either in peace or war, without being prepared to act as the circumstances demanded.

What a contrast we find today. So confused, inept, and bungled is our foreign policy, so crowded with reversals and contradictions, that it seems evident that the present occupant of the White House not only is unaware of the dangers and difficulties involved when he announces a particular policy; but, once having reached a decision, he is not prepared in any sense to carry it out.

Perhaps some Senators will say that the Senator from Missouri does not appreciate the significance of this One World in which we live. Perhaps it will be said that the Senator from Missouri is lacking in appreciation of the atomic age. Perhaps I shall be reminded by Senators that modern means of communication have brought Europe and America and the rest of the world close together. But it seems to me that the new American policy, developed and im-

plemented and put into action in the light of these developments in the world of the physical sciences, has had a rather thorough test. We have fought two world wars. We have spilled a tremendous amount of American blood. As a minor matter, we have spilled a great deal of money and natural resources. We destroyed the Kaiser, only to raise up Hitler. We destroyed Hitler, only to raise up Stalin.

Mr. President, war has been the business of Europe ever since the dawn of recorded history. There is absolutely nothing in the present picture to indicate that it will not continue to be the business of Europe beyond the day of any man now living.

The China-aid plan now under consideration is diametrically and utterly opposed to the teachings of the Father of His Country. I hope we shall not lightly disregard those teachings. I hope we shall apply them without fear or favor.

Now I come to the plan which I have to suggest. There is nothing new or novel about it. The fact of the matter is that I have previously presented it on the floor of the Senate. I regret greatly that the able and distinguished Senator from Illinois, who pressed me for my plan just a few moments ago, is not now present, but I hope he will read in the CONGRESSIONAL RECORD what I have to say at this time, and I hope he will consider it for what it may be worth.

I have three proposals, and I urge them again for the careful consideration of the Senate and our fellow Americans:

First, let us stop meddling in the internal, governmental affairs of Europe, Asia, and Africa.

Second, let us drive the Communists and fellow travelers from employment under the Government of the United States and make it as difficult as possible for them to return.

Third, while we still have strong resources, let us spend as much as may be needed to build a national defense so strong that neither Russia nor any other aggressor nation will dare attack us.

Mr. President, for those reasons I shall vote against the pending bill.

Mr. LANGER. Mr. President, I am very much interested in Senate bill 2393, which has been under consideration today and has been presented to us by the Foreign Relations Committee. A reading of the bill informs us that the purpose is—

To promote the general welfare, national interest, and foreign policy of the United States by providing aid to China.

I wonder when the Senate will get around to providing aid to the people of these United States. Yesterday I was in New York City. I was there with other Members of the Senate in connection with an investigation of a pneumatic-tube installation which has been in use there ever since 1905. Mr. President, what pay do you suppose those laboring men who for years and years and years have worked for our Government, are receiving from the Government of the United States which is so much interested in heading off communism. One would expect that they would

receive at least as much as the United States Department of Labor has said it takes to enable a father and mother and one child to live decently. Our Department of Labor sent its experts to New York City, and for 7 months they labored there long and hard. They discovered that a governmental worker should not have a new hat every year, and that a man having two union suits should make them last 2 or 3 years. The testimony before our committee showed that some of those people have not had butter for months. Wives testified that their little children get meat once a week—a kind of goulash. Good hamburger, Mr. President, sticks together. They get hamburger, but it is so poorly made that, no matter how much it is fried or boiled it simply does not stick but makes a soggy mass.

We discovered yesterday in New York that of the people who have worked for our Government, some of them for more than 20 years, one of them for 32 years, a part of them receive the great sum of \$2,500. The majority of the Government workers in New York get \$2,000 a year. But we are so busy heading off communism, and so busy in foreign lands, that I doubt that very few Senators know that a GI who has returned home, with a wife and child, and who has obtained a job as a mail handler for the United States Government, gets the munificent sum of \$1,900 a year. That, Mr. President, is what he fought for—the right to come home and to starve at the hands of his Government.

When I was in Philadelphia a short time ago more than 98 GI's telephoned me. They were men without influence, who had tried to enter the taxicab business. The 98 GI's had organized a corporation. The corporation was refused a license. The 98 men decided to apply for individual licenses which would permit them merely to drive a taxicab in the United States of America and to charge a fare for doing it. Licenses were refused.

In all the city of Philadelphia there are only 1,500 taxicabs. With a population of almost 2,000,000, and with an area of 135 square miles, there were but 1,500 taxicabs. In the city of Washington there are more than 10,000 taxicabs. Testimony was introduced showing overwhelmingly that on a rainy day a man or a woman has to wait 2 hours to get a taxicab.

The 98 veterans of World War II who applied for taxicab licenses, which were refused, finally decided that certainly, under the great Constitution, the United States Government would protect them in earning a living, so they decided to haul people for nothing and to take their chances on tips. What happened? The regular taxicab companies sued out an injunction which kept the 98 GI's, a majority of whom were married, from making a decent living. Those GI's have been in court now week after week, month after month, in an effort to obtain the opportunity of earning an honest living in the city of Philadelphia. To date they have been unsuccessful.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Washington.

Mr. MAGNUSON. I was interested in what the Senator had to say regarding the pay of Government workers. I was wondering if the Senator, as chairman of the Committee on Post Office and Civil Service, could inform the Senate as to when the committee might report a bill on the cost-of-living raise for postal employees, and what the plans of the committee are.

Mr. LANGER. I may say to my distinguished friend, the Senator from Washington, that owing to the fact that the distinguished Senator from Montana and myself were in New York on the pneumatic-tube investigation, the meeting scheduled for this morning was not held, but it has been reset for tomorrow morning, at which time it is expected the pay-raise bill, not only for postal workers but for other Government employees will be reported. It has not yet been determined whether all employees will be included within one bill, or whether the postal workers will be placed in a separate bill. In either event, the committee will, tomorrow, we hope, report one bill or both bills simultaneously.

Mr. MAGNUSON. I thank the Senator.

Mr. LANGER. I may add that the subcommittee, consisting of the Senator from Vermont [Mr. FLANDERS], the Senator from New Mexico [Mr. CHAVEZ], and myself, submitted its report about 5 weeks ago. After the bill had been reported unanimously, the Senator from Vermont decided to take additional testimony, and he has been conducting hearings for the last 5 weeks. That testimony is being taken, I may add, because the President of the United States instructed the Committee on Post Office and Civil Service to see if we could not revamp the entire classification system.

Mr. President, I have in my hand the testimony of the representative of the Labor Department, Mrs. Hoover, who is in charge of an investigation in New York and other places, stating exactly what it costs in the various places to support a family. The cost in the cities of Washington, New York, and Los Angeles is roughly \$3,300 a year. It varies, but it averages about \$3,300. In New Orleans and one or two other places it is slightly less, but in any event it is approximately \$3,300. As I said, the GI's are getting \$1,900 as mail handlers. If they work hard they receive a promotion at the end of a year, with an increase in pay of \$100, making \$2,000. Then if they work harder for another year, they get another \$100 raise, making \$2,100. If they work still harder, they get another \$100 raise at the end of the year, making \$2,200, and at the end of another year, \$2,300. If they work real hard, they get another raise of \$100, making \$2,400, and if they work extremely hard, they get another \$100 raise, until finally, at the end of 7 years, they receive \$2,500. After that, no matter how hard they work, they are through—\$2,500 a year is all that this great Government of ours, that wants to give \$463,000,000 to China, will pay the

GI mail handlers—\$2,500, and not one thin dime more.

We investigated to see how these people could live on \$1,900 a year. In some cases the wife works. In other instances, after the GI has worked good and hard all day, he gets a job at night. He works until 1, 2, or 3 o'clock in the morning. We can imagine how that affects his health.

Some of these GI's go to school and live in trailer camps. It was suddenly found that money was needed so badly at some of the little trailer camps that the rent was raised from \$20 to \$25. They still did not have enough money, so it was raised to \$30 and, in some instances, to \$35. So the GI who came back, after fighting for his country, is paying, in some instances, on the campuses of some of our schools, \$35 a month rent.

A letter regarding the subject was placed in the Record, and I have more letters from home, but there was no particular interest manifested on the part of anyone. No one was willing to give them \$463,000,000. That sum was going to the Chinese.

In my State we have many farms, and, under the law, up to the time of the war, a farmer had 160 acres. A board told him how much of that acreage he could seed. One poor, unfortunate farmer in my State, living near Ashley, N. Dak., seeded a piece of land which followed a creek. It is located in one of the few counties of my State in which stone is found. In following the creek the farmer could not figure out exactly the acreage. He overseeded approximately a half acre, and this great Government of ours would not pay him his soil-conservation money. He lost it entirely because, in following the creek, he had overseeded a half acre of land.

I noticed the other day a news item to the effect that a farmer had taken a similar case to the Supreme Court of the United States. The Chicago Tribune contained a very fine editorial on the subject, showing how this Federal bureaucracy operates. The farmer could not get anywhere in the Supreme Court of the United States.

We have crop insurance. Up to 4 or 5 years ago, if a farmer wanted to insure his crop, he would go to a private company; but now there is Government crop insurance. He figured that if anything happened to his crop he would be paid. Ninety-nine farmers out of a hundred believed that. They believed they were insured against everything but insects. Last year in my State a couple of farmers stored their grain, one of them in a galvanized tank and the other in a wooden granary. A flood occurred which spoiled many bushels of grain. Did the Government pay the farmers for their loss? I should say not. They were not insured against water, although they thought they were. The Government, under its insurance program, has to save every single penny, because the Nation has a debt of \$259,000,000,000, and every tiny bit of money possible must be saved. So, of course, the Government could not pay those farmers insurance, and their grain lies there, spoiled by water. I looked at it myself. Three or four in-

surance representatives have been there to look it over, but they could not pay the farmers.

I have not time to go into details, but I am sure Senators are familiar with what happened to the farmers of North Dakota, South Dakota, Montana, and other States on April 19, 3 years ago. The farmers in that area had a crop after nine long years of drought. The price of wheat was approximately \$1.50 a bushel. Before they could receive any money the farmers at threshing time wrote to their great Government in Washington. I mention this great Government, and I shall mention it further, because the President of the United States, on Saturday night, said that if Mr. Wallace did not like this country he could get out and go to the country he does like. I submit, Mr. President, that such a statement by any President of the United States is unwarranted. I submit that Mr. Wallace has a right, as has Harry Truman, to stay in this country as long as he pleases.

I want to make this further statement, that Mr. Wallace presided over this body for four long years, and whether we agree or disagree with his political beliefs, in my judgment, at least, Mr. Henry Wallace is as patriotic, as honest, and as good a citizen as is Harry Truman, the President of the United States. I am proud to have had the friendship of Mr. Wallace, whom I have not seen for approximately a year. He used to sit on the dais. I am proud of the fact that I was in the Senate and heard and saw him preside over this body.

Certainly, Mr. President, it does not do the unity of this country any good, and does not help to make our people united, for the President of the United States to give that kind of a talk regarding a man who has held the office of Vice President of the United States of America. The President knows, when he invites Mr. Wallace to go to some other country, that he is not hurting Mr. Wallace. Rather he is hurting himself and is lowering the dignity of the great office of the Presidency of this country.

Mr. President, I come back again to the farmers in the Northwest, and I return to the date of April 19, 3 years ago. It will be remembered that out of a clear sky the farmers who had received loans from the Government were advised that such loans were not due until April 1, 1945. The loans had been made in the fall of 1944. They were secured by the grain in the granaries of the farmers all over America. In the month of January 1945, they received letters saying, "Bring in your wheat. We are calling the loans. We are asking you to pay your notes now." The notes were not due until the following April. The Department of Agriculture knew that the farmers could not pay their notes unless they sold their grain. That was another instance of helping out the hungry in Europe. The farmers who were patriotic and who wanted to help Europe brought in their wheat.

On April 19, Mr. President, with a committee headed by the late Mayor LaGuardia, of New York, I went to the Secretary of Agriculture, Mr. Anderson,

and it was decided to go to Climax, Minn., and to Fargo, N. Dak., and pay a premium of 30 cents a bushel to those farmers who had been unpatriotic or, for some reason, had not brought in their wheat. They were told, "If you bring in your wheat we will pay you a premium of 30 cents a bushel." Yet, when we introduced a bill to pay the farmers a premium we were unable to have the bill passed. We were unable to get the Secretary of the Treasury to endorse it. For that matter, we could not get the President or any member of the Cabinet to endorse it. They said the Nation could not afford to pay the extra 30 cents to the farmers, that it did not have the money. It had \$463,000,000 for the farmers of China, but no money for the farmers of the United States.

I remember one day when we were debating a tax bill, a year ago, the distinguished senior Senator from Florida [Mr. PEPPER] rose to offer a minor amendment. He said, substantially, that when a banker or a businessman goes to a convention he can deduct the expenses of his trip from his gross income. He said, "The president of the National Education Association appeared before us and said to our committee that school teachers in most of the States have to go to summer school, and it costs \$200 to go to summer school."

Mr. President, sitting beside me here is the Senator from Nebraska [Mr. WHERRY], the acting majority leader. I always like to visit with him, he is so kind and courteous. I assure him I am not going to talk all afternoon. He can go to his office, if he cares to do so, and work for a while, and return, and I shall be delighted to see his face when he comes in.

Mr. WHERRY. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. WHERRY. I thank the Senator very much for his kind words. It is always a pleasure to work with him. I assure him that I shall not be gone very long, because I want to hear what he has to say. But I did wish to know how long he would address the Senate, in order to prepare the program for the remainder of the afternoon.

Mr. LANGER. I say to my distinguished friend, the Senator from Nebraska, that I will do anything in the world to cooperate with him. I will take a long time, or take a short time, as he may wish.

Mr. WHERRY. I thank the Senator. Mr. LANGER. As I was saying, Mr. President, the distinguished senior Senator from Florida offered an amendment providing that school teachers should be allowed to deduct the \$200 it cost them to go to summer school; and, mind you, they have to go in some States or they lose their certificates. The Senator did not ask in his amendment that the whole \$200 be deducted from the tax. He said, "We will take the expense off the gross income. It will amount to only \$5 or \$6 to the average school teacher." But this great body, giving \$463,000,000 to China, would not give the school teachers of the United States five or six dollars in the way of deduction from their income tax.

That is a fact, Mr. President. That is the record.

I may say to the present Presiding Officer that although he was not a Member of the Senate at the time, if he will read the record of the debate when the pay of the Members of this very body was increased, he will find that some of us offered an amendment. We said the aged of America were getting only \$40 in the way of assistance—at that time the Government matched \$20 with the States—and we wanted to raise that. My amendment provided for \$100 a month for aged persons. After a great deal of argument and debate, it was finally decided to appoint a committee to investigate how much the old people needed. In the meantime, to help them along, they were given the great sum of \$5 a month additional—\$5 a month. The investigation started 2 years ago, and the committee is still investigating. There has been no report from that committee, and the old people are still dying. We have not \$463,000,000 for those old people—we have \$5 a month.

That is not all, Mr. President. If one of those aged people has a little home, in the vast majority of the States, a little, tiny home, or an insurance policy, or a horse, or a cow, he has to sign it over to the welfare board of the State, and the welfare board sells it and gives the Government of the United States 50 percent of the proceeds. The Government is so hard up for money that it treats an old pioneer or his widow as one woman was treated in my State. In a little town in North Dakota I knew a woman who had a small, gold wedding ring. The welfare board sold that ring, and the United States Government got one-half the proceeds. That is how hard up the Government is. But it has \$463,000,000 for China. Last week it had \$375,000,000 additional, if I remember correctly, for the people of Turkey and Greece. A few days before that the Government had \$4,600,000,000 for the Marshall plan.

Mr. President, what is proposed to be given by the bill now pending is not the only money China will have received. I have here the record. Communism has been fought in China very hard, if the amount of money China has been given is any criterion. I have the information from two sources. First is the World Almanac, and I have it again in the official document, "European recovery program," which states the amounts of money which have been given to various countries, not including the money to be given China under the pending bill.

How much would any Senator suppose has been given to the Chinese—not to our veterans, not to our farmers, not to our teachers, not to our aged, but to the Chinese in China? Aside from the amount they will receive under the bill now being considered, under United States postwar foreign assistance there has been given since the war \$1,099,000,000, not counting what is proposed to be given to China today.

Mr. President, how much is \$1,000,000,000? I live in a State which is one of the largest in area in the United States. If we were to include every single acre of land, every single village, and

town lot, every building on the farms and in the towns, all the bank deposits, all the horses, sheep, cows, goats, and, I will also throw in the dogs in order to make the picture full and complete, what would the total assessment be? When I was Governor of North Dakota the total assessment of the State was \$931,000,000; not even \$1,000,000,000.

Several days ago the Senate adopted the Marshall plan. I did not vote for it. It provided for \$4,600,000,000. The distinguished Senator from Missouri [Mr. KEM] in his address made in connection with that plan said—although I did not verify the figures myself—that the amount involved equaled the assessed valuation of the 17 smallest States in the Union.

As I stated the other day, the elephant ought no longer to be used as a political emblem nor should the donkey be used as a political emblem by those engaged in such a bipartisan policy. The emblem used by them should be the scoop shovel. Such an emblem should be worn on their lapels. A scoop shovel as an emblem is something which the average farmer would understand when he saw it.

Mr. President, the other day I picked up a newspaper and read an article which said that Maj. Gen. Philip Fleming, the head of the Federal Works Administration, wanted \$75,000,000,000 for his 15-year program for roads and new buildings which he has outlined and filed with the President. Where is that money coming from?

When one of the first postwar loans was made I asked that the committee proposing the loan have a survey made to find out how much we in America needed, and then if we had anything left we could give some of it away. Such a survey has not yet been made. But Mr. Fleming says he needs \$75,000,000,000 for his 15-year program.

In the House there is a Committee on Health, headed by a very distinguished Representative named KEEFE from Wisconsin. The other day he made a report in which he said that \$8,000,000,000 was needed for the next 5 years for health purposes alone; \$75,000,000,000 and \$8,000,000,000 are \$83,000,000,000. I do not know how much more our veterans are going to need as the years go by, but the amount will certainly constantly increase. Every time we give away some more money we must pay interest on it, because we do not have the money; we must borrow it. So in a short time we will be paying \$6,000,000,000 a year in interest.

Then, of course, we still have our Indians who are starving to death. No one is worrying about the poor Indians. Oh, the President sent Congress a message one day and said we should give the Navajo Indians \$2,000,000, but, after all, he said, most of it could be used for buildings and education. Those Indians have been starving. I placed in the Record a few days ago a statement showing that some of them do not eat for a period of 2 or 3 days at a time. Last summer I visited the Torres-Martinez Tribe in California. Hunger, want, and suffering were evident on every side. The

tribe is composed of only 300 members. No money is provided for them.

Let us consider another angle. I would gladly follow the Foreign Relations Committee and I would gladly follow the State Department, but the trouble is that they are wrong practically all the time. One event following another event proves them to be wrong. Only yesterday the head of the Flying Tigers, General Chennault, said that the entire Chinese situation could have been cleaned up several years ago.

Let us now consider Germany. A great deal has been said about Germany. Yesterday the New York Times carried an article, from which I wish to read, which completely refutes statements which have been made by those who say we were treating Germany all right. I went to the law authorities one day and asked when in heaven's name they were going to stop denazification. I was told, "That does not amount to anything over there any more. There are only some 30,000 or 35,000 persons involved." On the front page of yesterday's New York Times appeared an article relating to that matter. I read as follows:

The facilities of the United States military government denazification branches will be made available to the German agencies to help complete the denazification job.

It is now 2½ years after the war, Mr. President, and there has been denazification and more denazification and still more denazification. American lawyers from almost every State in the Union have been engaged in such work, and so have many judges taken from our American benches.

The article continues:

As of March 1, there were about 450,000 persons awaiting trial, mostly in the "follower" category. It is expected under the new semi-amnesty virtually all will be released quickly with a small penalty or none.

Since the law became effective—

And at last we have the figures, and it is just as difficult for me to get those figures now as it has ever been. We have never succeeded in obtaining the figures. We did not secure the figures in the Subcommittee on Displaced Persons of the Committee on the Judiciary. It was as impossible for us to obtain the figures as it would be for any Senator to obtain the agreements entered into during the last 10 years by the heads of the various governments.

This is what the Americans did in Germany:

Since the law became effective 12,278,000 were registered, 3,243,000 were found chargeable, and 2,000,000 received direct amnesty.

So, Mr. President, there were found chargeable 3,243,000 men and women who are professors, doctors, scientists, individuals, who could work.

A year ago I read an editorial from Collier's magazine which showed how badly denazification had worked. After individuals had once been denazified it did not mean anything, because if they were charged again with being Nazis they would have to be denazified a second time. Then, if someone charged them again, they were denazified the third time. So all this time those men and

women who wanted to work could not work.

Now we come along with another great law, a law which is going to take care of 50,000 displaced persons, or 100,000 over a 2-year period. How do we treat the Germans in that connection, Mr. President? There are only 1,323,000 displaced persons in Europe. When the Russians came down, the Sudetenland went into the American and British occupied zones. That area had a population of between 14,000,000 and 15,000,000. We took such good care of them that between 4,000,000 and 5,000,000 of them died. No one knows what became of them. There are 10,000,000 left.

A while ago we drew up the charter of the International Refugee Organization. The United States was a party to that organization. In the United Nations Charter, the very first paragraph in section 3 states that the purpose is to wipe out all social and cultural distinctions based upon race, color, creed, language, or sex. What do we find? The same people who were going to reform the world, and bring about a condition under which the white man would march down the street with his arm around the black man, all over the world, through the International Refugee Organization barred any person of German ethnic origin, even though he was against Hitler, even though he was the greatest scientist in Germany, even though he entered the United States Army and fought. Unless he was admitted under the provisions of some other legislation, he could not get in under the International Refugee Organization.

Mr. President, I am opposed to any discrimination based upon race, color, or creed. I think my votes upon the floor of the Senate have shown that. The United States Senate ratified the charter of the International Refugee Organization, which barred any person of German ethnic origin. The other day in the Judiciary Committee when I tried to have that provision amended the amendment was defeated 5 to 4.

Mr. President, the man who votes that way does not realize that the dome of this very Capitol was designed and built by a man of German ethnic origin. The Library of Congress was designed and built by a man of German ethnic origin. The Post Office, within sight of the Senate Office Building, was designed and built by a man of German ethnic origin. The famous painting of Washington Crossing the Delaware was painted by a man of German ethnic origin. The painting entitled "Westward the Course of Empire Takes Its Way," was painted by a man of German ethnic origin. The father of the civil service, Carl Schurz, who was once a Member of this very body, was also a man of German ethnic origin. Not so many years ago a majority of the members of the Cabinet were men of German ethnic origin.

In this country we have nearly 30,000,000 people of German ethnic origin. They are scattered all over the country. And yet we ratified the International Refugee Organization charter, which bars the relatives of any of those 30,000,000 people, whether they live in California,

in Minnesota, in Missouri, or any other State. The father, mother, sister, or brother of a citizen of this country cannot be brought to the United States if he is of German ethnic origin.

Mr. President, I shall do everything possible to defeat the so-called displaced-persons bill. How significant it is that those who are trying to have that bill passed have upon their pay roll—and I placed the figures in the RECORD the other day—registered lobbyists drawing \$152,000 a year. Some of them receive as much as \$15,000 a year. I am sure that if American citizens of German ethnic origin, some of them 300, 400, or 500 years removed, could understand that situation, they would be here with petitions asking that these people be not discriminated against. We have people of German ethnic origin in Indiana, Illinois, Wisconsin, and many other States.

Mr. President, that has been a part of the foreign policy of our Government. I was interested when the distinguished senior Senator from Illinois [Mr. Lucas] asked the distinguished Senator from Missouri [Mr. KEM] this afternoon who formulated the foreign policy, whether it was the Department of State or this body. I was interested in the reply, because I have always been convinced, and I am now convinced, that the policy is formulated by the Secretary of State and by the State Department. The department submits its recommendations to various committees. Not many changes are made as between what is recommended and what is reported by the committee.

I wish to make clear to the American people how much foreign aid we have handed out. First of all, I wish to refer to previous aid to China. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks that section of the committee's report beginning on page 6, headed "Previous aid to China."

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

PREVIOUS AID TO CHINA

The Department of State has submitted to the committee the following estimates of previous American aid to China:

United States Government economic, financial, and military aid to China since 1937

[In millions of United States dollars]

Pre-VJ-day:	
Export-Import Bank credits	120.0
1942 congressional credit	500.0
Lend-lease	849.4
Subtotal	1,469.4

Post-VJ-day:	
Lend-lease:	
Military	728.0
Civilian pipe-line credit	49.6
Naval aid	17.7

Surplus and excess property credits:	
Office of Foreign Liquidation Commissioner dockyard credit	4.0
West China credit	20.0
Maritime Commission credit authorization	16.5
	40.5

Post-VJ-day—Continued

Export-Import Bank credits	82.8
UNRRA:	
United States 72-percent contribution applied to China program (FAS plus 25 percent for shipping and insurance)	465.8
Contribution to Board of Trustees for UNRRA equipment and funds	4.7
United States foreign relief program	45.7
United Nations International Children's Emergency Fund	2.1
Subtotal	1,436.9
Total	2,905.8

Since figures for certain surplus-property sales were not included in the above total, the State Department subsequently furnished the committee with the following supplemental figures in a letter to the chairman, dated Mar. 19:

Type of surplus	Procurement cost	Sales price or value realized
Civilian-type surplus property in China, India, and 17 Pacific islands	\$824,000,000	\$175,000,000
Rifle ammunition	6,566,589	656,658
TNT	275,000	99,000
Air Force equipment	9,449,850	935,312
Naval vessels	70,589,298	(gift)
Transport aircraft	34,800,000	750,000
Ammunition	4,441,337	44,413
Air Force equipment	25,292,365	4,426,163
Total	975,414,439	181,911,546

The State Department emphasizes that it is impossible to draw up a total for the surplus-property transactions since in some cases the surplus stocks are still in the process of being transferred and the full value of the property will not be known until the transfers have been completed. The above figures, therefore, are only estimates in some cases.

The committee agreed that the extent of such aid underscores once more the fundamental and traditional interest of the United States in the welfare of China.

Mr. LANGER. The total shows that to date we have given to China \$2,905,800,000, or five times the assessed value of every acre of land and every piece of property in five States the size of North Dakota. I make the prediction that a year from now they will be back asking for a billion dollars more.

How much have we given to other countries, Mr. President? Referring again to the United States postwar foreign assistance, as listed in the World Almanac, we find that between July 1, 1945, and June 30, 1947, we gave to the 16 countries that participated in the tariff conference, \$1,943,000,000. We gave to Austria \$184,000,000; to Belgium and Luxemburg, \$61,000,000; to France, \$21,000,000—that was just during those 2 years; to Greece, \$624,000,000; and to Italy, \$595,000,000. We helped the Netherlands, Norway, Sweden, Switzerland, Turkey, and the United Kingdom. During that time the United Kingdom received from us \$334,000,000. We also helped Czechoslovakia. By the way, Mr. President, I understand that Joe Stalin now has something to say about running that country. During the period I have mentioned, we turned over to Czechoslovakia \$174,000,000. I wonder how much of that money Joe Stalin has his fingers on now. We gave to Ko-

rea, to the Philippines, and to all the other countries listed in the statement.

I have before me at this time the Twenty-fifth Report to Congress on Lend-Lease Operations, as prepared for the Department of State by John W. Snyder, Secretary of the Treasury, on November 12, 1947. I ask unanimous consent to have placed in the RECORD at this point statement No. 1, covering pages 2 and 3; and statement No. 2, covering pages 5 to 9.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT I

DEFENSE AID PROVIDED

Total defense aid provided includes goods and services (1) covered by expenditures and (2) covered by accounts payable which represent goods and services received by the procuring agencies, but not yet covered by expenditures.

SOURCE OF DEFENSE AID PROVIDED

Appropriations are made to the President for the procurement of defense articles and services, and appropriations to the War and Navy Departments, the Maritime Commission, and Coast Guard contain the authority to finance transfers made under the terms of the Lend-Lease Act. Funds are also received in advance from foreign governments for the procurement of defense articles and services not eligible for transfer as straight lend-lease. The Munitions Assignment Board, established in January 1942, assigns military equipment on the basis of production and the needs of the foreign government concerned regardless of the funds used in procuring the articles. This resulted in the pooling of all finished munitions and the War and Navy Departments could no longer determine whether a particular defense article transferred to a foreign government was procured from funds appropriated to the President for lend-lease purposes or from their own appropriations. (For a more complete discussion see pp. 57, 61, and 62, of the March 11, 1944, Report of the Interdepartmental Committee to Study Recording and Reporting of Lend-Lease Transactions and Government Expenditures Abroad.)

The DDA Reports of lend-lease obligations and expenditures made to the Lend-Lease

Fiscal Operations, Treasury Department, by other Federal agencies cover only funds appropriated to the President and foreign government funds. These DDA Reports, however, do show the total defense aid provided regardless of funds. The amounts shown as the source of funds used for "Defense Aid Provided" by other agencies are computed from the certified DDA Reports received quarterly from these agencies. While it is not possible to relate individual articles or services rendered with the appropriations from which financed, it is, however, evident that on an over-all basis by deducting the expenditures and accounts payable reported as applicable to Lend-Lease Administration

funds and foreign government's funds from the total defense aid reported, the difference (other than the exceptions noted in the next paragraph) had to be financed from appropriations made directly to these agencies.

Defense articles returned by foreign governments and those transferred from other Federal agencies to the War and Navy Departments are commingled in the common inventory of the respective departments and the identity of these articles as to source is lost. It may be that some of these articles have subsequently been transferred to a foreign government. This analysis of the method of financing total defense aid provided does not reflect any such transfers.

Statement of operations under the Lend-Lease Act, cumulative through June 30, 1947

Type of defense aid	Charged to foreign governments	Not distributed by foreign governments	Total
Transfers to foreign governments.....	\$44,228,324,404.90		\$44,228,324,404.90
Services and other expenses.....	3,534,903,377.68		3,534,903,377.68
Consignments to commanding generals.....	632,007,595.95		632,007,595.95
Transfers to Federal agencies.....		\$725,589,141.95	725,589,141.95
Losses on inventories and facilities.....		31,072,272.57	31,072,272.57
Production facilities.....		720,641,686.66	720,641,686.66
Miscellaneous charges.....		332,200,098.31	332,200,098.31
Administrative expenses.....		39,257,580.77	39,257,580.77
Total defense aid provided.....	48,395,235,378.53	1,848,760,780.26	50,243,996,158.79

Source of funds

From funds appropriated to—	
Lend-Lease Administration.....	\$25,231,776,585.66
War Department.....	19,488,377,685.32
Navy Department.....	4,745,554,742.96
Maritime War Shipping Administration.....	620,647,410.38
Coast Guard (Treasury).....	12,965,897.56
From foreign government funds.....	143,631,442.20
From reissues of returned lend-lease articles.....	1,042,394.71
Total.....	50,243,996,158.79

In addition, the foreign governments have paid approximately \$900,000,000 to the United States for lend-lease items purchased out of U. S. Government funds. This money has or will be reappropriated or deposited to the general fund of the Treasury.

STATEMENT II

This statement summarizes by appropriation title (category) and country total defense aid provided from funds appropriated by the Congress to the President for lend-lease purposes, authorization by the Congress to the War and Navy Departments, the Maritime Commission, and the Coast Guard to use their own appropriations for lend-lease aid and funds deposited by foreign governments for the procurement of articles and services on a cash reimbursement basis.

The statement is prepared in two divisions, (1) lend-lease aid charged to foreign governments and (2) lend-lease aid not distributed by foreign governments. The column headings (appropriation title) are in accordance with the subdivisions of the Lend-Lease Appropriation Act.

The statistical data necessary for the preparation of this statement are taken from the quarterly reports submitted by the agencies participating in the defense aid program.

Statement of defense aid provided by country and by appropriation category, cumulative through June 30, 1947

	Total	Ordnance and ordnance stores	Aircraft and aeronautical matériel	Tanks and other vehicles	Vessels and other watercraft
Charged to foreign governments:					
American Republics:					
Bolivia.....	\$5,523,113.77	\$144,489.07	\$4,325,346.20	\$78,376.66	\$17.19
Brazil.....	372,018,982.63	41,331,636.61	87,716,852.89	55,011,224.00	82,374,153.10
Chile.....	21,603,647.88	6,731,093.89	8,930,123.98	2,575,359.84	1,505,363.41
Colombia.....	8,264,954.63	594,045.08	4,041,170.72	817,732.43	632,928.31
Costa Rica.....	156,330.15	34,422.34		51,540.84	
Cuba.....	6,550,610.38	376,834.22	1,998,579.67	522,722.89	2,057,391.57
Dominican Republic.....	1,617,315.60	138,958.46	400,742.53	150,951.63	531,126.91
Ecuador.....	7,794,178.09	416,815.02	1,936,263.27	2,263,822.68	889,762.73
Guatemala.....	2,598,045.84	635,495.50	1,400,030.99	372,894.72	
Haiti.....	1,423,658.75	70,991.16	350,634.97	146,346.97	174,999.05
Honduras.....	388,364.24	46,784.72	257,371.39	24,626.26	
Mexico.....	39,238,971.45	7,991,507.83	16,071,044.18	3,033,711.17	3,270,743.26
Nicaragua.....	887,199.28	90,622.49	469,528.91	133,058.89	13,846.75
Panama.....	667.33				
Paraguay.....	1,956,128.55	130,758.36	947,455.84	209,892.67	488,307.85
Peru.....	18,925,731.36	2,615,328.20	6,822,095.06	1,656,016.26	4,156,747.70
Salvador.....	878,275.90	146,114.69	423,369.02	259,495.04	
Uruguay.....	7,129,488.01	1,180,297.44	1,715,315.87	1,940,606.15	1,549,861.06
Venezuela.....	4,523,680.08	668,855.74	1,564,210.67	777,341.82	785,051.70
Total, American Republics.....	501,459,343.92	63,345,050.82	139,370,136.16	70,025,700.92	98,423,300.59
Other Governments:					
Belgium.....	159,464,430.26	564,683.22	765,815.99	15,796,818.06	18,407,339.95
British Empire.....	31,384,810,121.25	3,066,937,679.75	6,423,295,641.98	3,804,625,353.97	5,278,557,374.13
China.....	1,626,998,524.86	271,086,933.84	230,894,424.13	190,188,218.05	85,815,272.52
Czechoslovakia.....	641,839.17			289.68	
Egypt.....	2,319,691.15	5,447.50		1,480,977.78	
Ethiopia.....	5,251,480.09	354,204.68	121,299.73	265,180.60	
France and possessions.....	3,223,891,229.32	284,754,508.06	292,702,527.14	429,495,949.06	202,362,126.56
Greece.....	81,521,726.17	4,427,926.25		435,721.33	37,558,338.88

Statement of defense aid provided by country and by appropriation category, cumulative through June 30, 1947—Continued

	Total	Ordnance and ordnance stores	Aircraft and aeronautical matériel	Tanks and other vehicles	Vessels and other watercraft
Charged to foreign governments—Continued					
Other governments—Continued					
Iceland	\$4,371,496.03		\$184,111.95	\$296,968.89	\$19,723.66
Iran	5,303,624.18	\$42,786.42		2,362,117.89	
Iraq	891,469.57				
Liberia	11,554,901.20	153,711.90		7,557.46	
Netherlands and possessions	251,137,540.95	15,959,402.97	78,743,380.32	15,863,605.65	20,269,296.86
Norway	47,000,522.22	1,457,689.99	4,149,626.99	200,695.42	10,849,138.00
Poland	12,475,376.00	117,326.79	40,921.25	64,963.84	1,008,430.58
U. S. S. R.	10,982,088,888.95	782,768,434.44	1,539,180,009.89	1,767,377,292.62	1,173,691,948.28
Saudi Arabia	18,984,227.45	710,867.95		953,438.62	
Turkey	42,876,877.88	24,127,531.43	1,041,870.02	12,834,031.58	4,251.10
Yugoslavia	32,192,067.91	1,690,534.41	1,103,184.45	3,174,310.67	5,324,449.25
Total, other governments	47,893,776,034.61	4,455,159,669.60	8,572,222,813.84	6,245,423,491.17	6,933,957,689.77
Total, charged to foreign governments	48,395,235,378.53	4,518,504,720.42	8,711,592,950.00	6,315,449,192.09	7,032,385,990.36
Not distributed by foreign governments:					
Transfers to Federal agencies	725,589,141.95		29,556.46	1,437,620.30	421,671,410.69
Losses on inventories and facilities	31,072,272.57				
Production facilities	720,641,086.66				
Miscellaneous charges	332,200,098.31	9,054,847.39	346,734.26	7,488,720.39	74,168,292.30
Administrative expenses	39,257,580.77				
Total, not distributed by foreign governments	1,848,760,780.26	9,054,847.39	376,290.72	8,926,340.69	495,839,702.99
Grand total	50,243,996,158.79	4,527,559,567.81	8,711,969,240.72	6,324,375,532.78	7,528,225,693.35

	Miscellaneous military equipment	Facilities and equipment	Agricultural, industrial, and other commodities	Testing, reconditioning, etc., of defense articles	Services and expenses	Administrative expenses
Charged to foreign governments:						
American Republics:						
Bolivia	\$620,373.57	\$262,498.18	\$70,986.37		\$21,026.53	
Brazil	38,757,196.69	7,729,947.84	28,429,126.59	\$3,604,873.28	27,063,971.63	
Chile	553,641.79	886,388.46	339,017.45		82,659.06	
Colombia	666,712.74		38,478.56	985,935.55	487,951.24	
Costa Rica	68,117.00		571.55		1,678.42	
Cuba	649,504.69	5,235.88	25,093.03	887,555.03	27,693.40	
Dominican Republic	382,632.59		7,064.40	969.36	4,869.72	
Ecuador	1,982,055.91		10,721.62	250,380.59	44,356.27	
Guatemala	148,068.04				41,556.59	
Haiti	664,669.86	3,281.50	10,724.54		2,010.70	
Honduras	35,328.29			2,325.37	1,928.21	
Mexico	2,613,842.32	555,039.36	1,456,541.67	2,674,500.60	1,572,041.06	
Nicaragua	45,699.07			122,939.84	11,523.33	
Panama		500.32			167.01	
Paraguay	158,481.32				23,232.51	
Peru	1,708,060.51	1,326,369.22	460,602.22	82,141.57	98,370.62	
Salvador	19,928.18	18,969.62	1,851.90		8,547.45	
Uruguay	689,666.77	10,456.55	6,945.36	15,894.20	20,444.61	
Venezuela	517,293.04		861.15	183,114.47	26,951.49	
Total, American Republics	50,281,272.38	10,798,686.93	30,858,586.41	8,810,629.86	29,540,979.85	
Other governments:						
Belgium	17,871,419.77	18,315.36	105,626,409.94	43.82	413,584.15	
British Empire	2,164,200,898.41	367,837,055.13	9,428,075,123.74	426,475,910.61	424,805,083.53	
China	146,888,424.60	9,965,002.07	84,558,364.38	206,732.51	607,395,152.76	
Czechoslovakia	131,149.13		492,957.74		17,442.62	
Egypt	24,086.56		619,756.80		189,422.51	
Ethiopia	69,303.94		4,336,316.45		105,174.69	
France and possessions	644,995,385.23	2,348,159.75	1,109,189,649.23	61,061,053.76	96,981,870.53	
Greece	38,557.43		38,654,389.72	143,242.17	263,550.39	
Iceland	245,416.55	26,775.28	3,529,510.06	57,555.89	8,433.75	
Iran	2,357,086.01	13,197.07	408,335.57		119,501.22	
Iraq			887,264.43		4,205.14	
Liberia	83,182.90		2,476.45		11,307,972.49	
Netherlands and possessions	11,701,942.97		100,609,051.34	5,173,831.60	2,817,029.24	
Norway	2,021,904.45		5,140,296.47	23,055,507.93	125,662.97	
Poland	1,666,831.39		8,878,291.93	418,952.42	189,657.80	
U. S. S. R.	794,587,585.44	543,462,475.51	4,186,365,171.54	115,069,268.28	79,586,702.95	
Saudi Arabia	690,109.64		16,628,119.34		1,691.90	
Turkey	776,553.15	30,171.03	3,753,991.95		308,477.62	
Yugoslavia	5,998,044.58		14,543,189.11		358,355.44	
Total, other governments	3,794,351,482.15	923,701,151.20	15,112,298,666.19	631,662,098.99	1,224,998,971.70	
Total, charged to foreign governments	3,844,632,754.53	934,499,838.13	15,143,157,252.60	640,472,728.85	1,254,539,951.55	
Not distributed by foreign governments:						
Transfers to Federal agencies	7,280,226.65		294,307,444.63		862,883.22	
Losses on inventories and facilities			31,072,272.57			
Production facilities		713,560,054.95			7,081,631.71	
Miscellaneous charges	779,283.79	5,251,877.27	145,130,398.70	28,196,505.47	61,783,438.74	
Administrative expenses						\$39,257,580.77
Total, not distributed by foreign governments	8,059,510.44	718,811,932.22	470,510,115.90	28,196,505.47	69,727,953.67	39,257,580.77
Grand total	3,852,692,264.97	1,653,311,770.35	15,613,667,368.50	668,669,234.32	1,324,267,905.22	39,257,580.77

Mr. LANGER. Mr. President, I should like to mention how much Russia received in that connection. That is shown on page 2 of the report on lend-

lease operations. Is it any wonder that I cannot follow the Foreign Relations Committee and the Department of State when, under lend-lease, Russia received

from this country, up until June 30, 1947, \$10,982,088,888.95—11 times the assessed valuation of everything in the State of North Dakota, including every acre of

land, every house, every horse and cow, all machinery, and everything else within the borders of my State.

I also ask unanimous consent to have printed at this point in the RECORD statement II-A, which was prepared in ex-

actly the same manner as the foregoing statements. It appears on pages 12 to 15 of the report on lend-lease operations.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT II-A

This statement has been prepared in exactly the same manner as the foregoing statement II. However, this statement shows only that portion of aid rendered subsequent to VJ-day and all figures reflected here are also included in statement II.

Statement of defense aid provided by country and by appropriation category, period Sept. 2, 1945, through June 30, 1947

	Total	Ordnance and ordnance stores	Aircraft and aeronautical material	Tanks and other vehicles	Vessels and other watercraft	Miscellaneous military equipment	Facilities and equipment	Agricultural, industrial, and other commodities	Testing, reconditioning, etc., of defense articles	Services and expenses
CHARGED TO FOREIGN GOVERNMENTS										
American Republics:										
Bolivia.....	\$441,849.41		\$441,680.41							\$169.00
Brazil.....	6,809,485.63	\$891,594.06	742,175.27	\$81,158.35	\$3,485,042.15	\$147,559.91	\$6,800.00	\$1,227,746.66		227,409.23
Chile.....	410,504.26	90,750.00	29,804.74	181,581.29	70,713.72	18,699.92	5,299.80	13,463.29		191.50
Colombia.....	7,382.00			7,255.00						127.00
Cuba.....	19,451.29	204.34	6,308.00		2,799.50	14.45		10,100.00		25.00
Dominican Republic.....	27,135.56		10,224.15		10,322.41	6,589.00				
Ecuador.....	561,747.03	13,446.51		510,553.41	3,763.24	33,294.48		34.39		655.00
Guatemala.....	859,423.84		858,748.22			62				675.00
Haiti.....	5,960.38		3,547.58			2,412.80				
Mexico.....	599,520.82	1,492.19	73,435.79	541.46	55,377.80	13,430.95		436,407.12		18,835.51
Nicaragua.....	144.00									144.00
Paraguay.....	2,370.00									2,370.00
Peru.....	235,276.24	4,905.91	36,238.59	30,059.72	124,877.65	2,618.87	18,482.39	15,624.98		2,468.13
Salvador.....	30.00									30.00
Uruguay.....	11,061.06		3,394.90			5,896.16		1,661.00		109.00
Venezuela.....	11,569.76				2,806.45	8,624.31				139.00
Total, American Republics.....	10,002,911.28	1,002,393.01	2,205,557.65	811,142.23	3,755,702.92	239,141.47	30,582.19	1,705,037.44		253,847.37
Other governments:										
Belgium.....	80,944,394.38			2,709,841.08	12,917,692.12	8,184,279.68		57,036,451.52		6,129.98
British Empire.....	441,604,712.70	806,150.66	5,053,564.19	4,625,871.49	76,522,319.80	18,666,342.25	11,723.74	326,395,833.31	\$190,143.61	9,332,763.65
China.....	777,638,292.55	117,831,842.34	42,934,330.77	55,986,129.38	46,454,008.40	99,920,749.30	36,198.74	36,735,399.57	2,338.88	337,737,295.17
Czechoslovakia.....	208,332.10			263.66		80,324.52		126,611.73		1,132.19
Egypt.....	60,226.95					2,900.70		82.67		57,243.58
France and possessions.....	412,243,246.24	937,950.75	3,705,372.02	13,833,467.76	61,037,637.88	21,958,099.62	1,290.42	310,507,002.28		262,425.51
Greece.....	5,968,001.78				5,879,170.00	127.60		81,025.59		7,678.59
Iceland.....	27,521.76							27,521.76		
Iran.....	279.50									279.50
Liberia.....	7,970,866.04									7,970,866.04
Netherlands and possessions.....	75,332,937.88	4,730,943.45	351,927.96	7,127,570.24	13,192,735.68	3,688,816.59		45,843,370.33	49,875.00	347,698.63
Norway.....	6,514,385.53	261.14	231,368.56		70,481.76	28,091.64		5,946,831.08	231,210.00	6,141.35
Poland.....	157,219.06			18.13				145,138.43		12,062.50
U. S. S. R.....	254,091,893.09	250,612.25	15,781.62	2,807,961.92	20,853,974.62	8,948,140.39	7,480,257.48	206,873,404.10		6,861,760.71
Saudi Arabia.....	2,542,285.23							2,542,202.43		82.80
Turkey.....	73,544.60			18.52			9,442.96	48,570.05		15,513.07
Yugoslavia.....	78,829.59			139.93				76,188.46		2,501.20
Total, other governments.....	2,065,456,968.98	124,557,760.59	52,292,345.12	127,181,282.11	236,928,020.26	161,477,872.29	7,538,913.34	992,385,633.31	473,567.49	362,621,574.47
Total, charged to foreign governments.....	2,075,459,880.26	125,560,153.60	54,497,902.77	127,992,431.34	240,683,723.18	161,717,013.76	7,569,495.53	994,090,670.75	473,567.49	362,874,921.84
NOT DISTRIBUTED BY FOREIGN GOVERNMENTS										
Transfers to Federal agencies.....	204,216,495.19			49,208.58	109,201,928.11	1,330,569.11		93,488,388.99		146,400.40
Losses on inventories and facilities.....	21,852,598.50							21,852,598.50		
Miscellaneous charges.....	3,786,575.03	315.50		200,627.80		18,002.63		3,549,940.94		17,688.16
Total, not distributed by foreign governments.....	229,855,668.72	315.50		249,836.38	109,201,928.11	1,348,571.74		118,890,928.43		164,088.56
Grand total.....	2,305,315,548.98	125,560,469.10	54,497,902.77	128,242,267.72	349,885,651.29	163,065,585.50	7,569,495.53	1,112,981,599.18	473,567.49	363,039,010.40

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. KNOWLAND. Some time ago, I believe, the Senator from North Dakota, in the course of his remarks, stated that he had not yet been able to obtain information regarding certain agreements which have been entered into by this country.

Mr. LANGER. Yes.

Mr. KNOWLAND. Did the Senator from North Dakota have reference to the Potsdam agreement or the Yalta agreement?

Mr. LANGER. No. I got hold of the Potsdam agreement. But the Senator from California will remember that I submitted a resolution asking that the Foreign Relations Committee be given

all the agreements made during the past 10 years between all other countries and our Government. I sent a letter to that effect to Secretary Forrestal, who in turn advised me that he did not have them, but said he would refer the letter to the President of the United States, and he thought that in due time perhaps the President would send them to the Foreign Relations Committee.

Mr. KNOWLAND. Perhaps I misunderstood the Senator from North Dakota. I was going to say that I have on my desk at this time a copy of the Potsdam agreement and a copy of the Yalta agreement.

Mr. LANGER. Let me tell the distinguished Senator from California that I myself put into the CONGRESSIONAL RECORD some 3 weeks ago the Potsdam

agreement. I obtained a copy of it, and had it printed in the CONGRESSIONAL RECORD at that time.

Mr. KEM. Mr. President, will the Senator from North Dakota yield to me, to permit me to address an inquiry to the Senator from California?

Mr. LANGER. I yield.

Mr. KEM. Let me ask the Senator from California whether he has reason to believe that the printed copy which he has of the so-called Yalta agreement is the complete agreement containing all the understandings between Mr. Roosevelt and Marshal Stalin?

Mr. KNOWLAND. I may say to the able Senator from Missouri that I would not wish to underwrite that the copy I have contains everything that might have been understood. I have what

purports to be the protocol of the agreement at the Crimean Conference at Yalta, and I also have what purports to be the Potsdam agreement.

Mr. KEM. The Senator understands, does he not, that in that connection there are no commitments, moral or otherwise, which are binding on the American people, except those incorporated in that document?

Mr. KNOWLAND. I would certainly think the American people would not be bound by any purely personal understandings which might have been entered into and were not reduced to writing at any particular one of those conferences.

Mr. KEM. I should like to ask one more question: The President of the United States in his last address to a joint session of Congress referred to certain violations of contract of which the Russian people had been guilty. Do the Senator's examination of these documents and his knowledge of the facts enable him to tell what violations have occurred?

Mr. KNOWLAND. Offhand, I should say that in the Potsdam agreement, as an example, it was understood that Germany would be treated as an economic unit. I do not know whether the able Senator from Missouri had a chance to go to Germany; but any of us who have been there know that Germany is not being treated as an economic unit, and I think the able Senator from Missouri knows from general information that that is true. Certainly that is a violation.

Moreover, I think we know that the agreements were entered into with the understanding that the Polish Government then existing would be reorganized, and that there would be free and unfettered elections in that country. But I believe it is common knowledge that the elections which took place in Poland were not free and unfettered.

So I think we could cite any number of cases where there have been very direct violations of the understandings which were entered into in those various agreements.

Mr. KEM. Does the Senator from California feel that those violations have

been of such a nature or of such a character as to relieve us from any responsibility on our part in connection with those contracts?

Mr. KNOWLAND. I can only say, if the Senator from North Dakota will yield further, so as to permit me to answer the question—

Mr. LANGER. Yes; I am glad to yield.

Mr. KNOWLAND. I would say it is the personal opinion of the junior Senator from California, for whatever it may be worth, that when two or more parties to a contract enter into an agreement, under which presumably there is a give-and-take arrangement that certain things will be agreed to, provided certain other things are agreed to, in such case the Russians have no right to expect that they may violate with impunity the sections of the agreement that they do not care to abide by, and still expect the other powers or parties to the agreement to abide to the letter to all the rest of the sections of the agreement.

In other words, it is the viewpoint of the junior Senator from California that at the very first instance of a violation of those agreements, our Government should have served notice upon the Kremlin and the Politburo in Moscow that a violation of any section of the agreement throws out the whole agreement.

Mr. KEM. I thank the Senator from California, and I thank the Senator from North Dakota for his courtesy.

Mr. LANGER. Finally, Mr. President, I ask unanimous consent to have printed as a part of my remarks, from the report on the European-recovery program by the Committee on Foreign Relations, section 7, entitled "United States Assistance to Europe Since the War," on pages 8 and 9, together with the tables on pages 10, 11, and 12 of the report.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

7. UNITED STATES ASSISTANCE TO EUROPE SINCE THE WAR

Since the end of the Second World War, the United States has extended assistance to Europe in the form of (1) repayable loans

and credits, and (2) relief supplies and grants not requiring specific repayment. Most American assistance belongs to the first category:

Credits and loans: Interest-bearing credits and loans include (1) the loan to the United Kingdom of \$3,750,000,000, authorized by Congress in July 1946; (2) two Export-Import Bank reconstruction loans to France, one of \$550,000,000 in September 1945, the second of \$650,000,000 in June 1946; (3) sale of United States surplus property abroad and surplus merchant vessels on long-term credit, to France at a credit of \$300,000,000, and to Italy at a credit of \$160,000,000 for purchase of surplus property in Europe, and \$42,000,000 to each for the purchase of merchant vessels; (4) lend-lease settlements and pipe-line credits. In the period from July 1, 1945, to June 30, 1947, the United States Government authorized repayable loans and credits to the Paris Conference countries of \$7,353,000,000 in all.

Grants and relief: Grants and relief include (1) UNRRA, toward which the United States contributed \$2,700,000,000; (2) United States foreign-relief program, including an authorization of \$332,000,000 in July 1947, and a donation of \$15,000,000 to the International Children's Emergency Fund; (3) interim aid to Austria, France, and Italy, in the amount of \$522,000,000, enacted in December 1947; (4) Greek-Turkish aid, to the amount of \$400,000,000; (5) relief of occupied areas; (6) lend-lease aid not repayable. In the period from July 1, 1945, to June 30, 1947, the United States Government authorized assistance under the programs listed above of some \$1,943,000,000, allocable to certain of the Paris Conference countries. A further \$767,000,000 allocable to German relief, and \$481,000,000 not allocable to specific countries in Europe but intended almost entirely for the Paris Conference countries, were authorized, making a total of \$3,191,000,000, to which interim aid should be added, making the total as of December 31, 1947, \$3,738,000,000.

Thus loans, credits, grants, and relief to the Paris Conference countries and Germany authorized in the period July 1, 1945, to December 31, 1947, totaled a little over \$11,000,000,000.

These figures do not take into account remittances from private individuals and voluntary agencies in the United States, which in the year 1946 ran slightly more than half a billion dollars, a sum which it is estimated was equaled in 1947.

A break-down of United States loans, credits, grants, and relief contributions for the two fiscal years July 1, 1945, to June 30, 1947, is as follows:

TABLE A.—U. S. Government loans, property credits, and grants—Amount available, utilized, and unutilized, as of June 30, 1947, by type and country

[Millions of dollars]

Country	Amount available, July 1, 1945–June 30, 1947			Amount utilized, July 1, 1945–June 30, 1947			Unutilized balance, June 30, 1947		
	Total	Loans and property credits	Grants and other relief	Total	Loans and property credits	Grants and other relief	Total	Loans and property credits	Grants and other relief
Total.....	16,302	9,128	7,174	12,575	7,309	5,266	3,727	1,819	1,908
Europe.....	12,160	7,977	4,183	9,902	6,752	3,150	2,258	1,225	1,033
Paris Conference countries.....	9,331	7,388	1,943	7,828	6,414	1,414	1,503	974	529
Austria.....	195	11	184	140	1	139	54	9	45
Belgium and Luxembourg.....	210	149	61	210	149	61	—	—	—
Denmark.....	30	30	—	15	15	—	15	15	—
France.....	1,928	1,907	21	1,719	1,698	21	209	209	—

TABLE A.—U. S. Government loans, property credits, and grants—Amount available, utilized, and unutilized, as of June 30, 1947, by type and country—Continued

[Millions of dollars]

Country	Amount available, July 1, 1945–June 30, 1947			Amount utilized, July 1, 1945–June 30, 1947			Unutilized balance, June 30, 1947		
	Total	Loans and property credits	Grants and other relief	Total	Loans and property credits	Grants and other relief	Total	Loans and property credits	Grants and other relief
Europe—Continued									
Paris Conference countries—Continued									
Greece.....	745	121	624	329	55	274	417	67	350
Italy.....	926	331	595	784	223	561	142	108	34
Netherlands.....	303	283	20	276	256	20	27	27	
Norway.....	81	80	1	11	10	1	70	70	
Sweden.....	1		1	1		1			
Switzerland.....	2		2	2		2			
Turkey.....	141	41	100	6	6		134	34	100
United Kingdom.....	4,769	4,435	334	4,334	4,000	334	435	435	
Countries not at Paris Conference.....	2,305	546	1,759	1,866	337	1,529	439	209	230
Czechoslovakia.....	247	73	174	204	30	174	42	42	
Finland.....	106	106		71	71		35	35	
Germany.....	767		767	537		537	230		230
Hungary.....	37	37		10	10		27	27	
Poland.....	439	90	349	379	30	349	60	60	
U. S. S. R.....	410	242	168	364	196	168	45	45	
Yugoslavia.....	301		301	301		301			
Europe unallocable.....	522	41	481	207		207	315	41	274
Canada.....	6	6		12	12		6	6	
Latin-American countries.....	495	473	22	206	184	22	289	289	
China.....	1,328	229	1,099	1,262	163	1,099	66	66	
Japan.....	606	15	591	398	7	391	208	8	200
Korea.....	170	25	145	48	3	45	122	22	100
Philippines.....	769	76	693	194	76	118	575		575
All other countries.....	367	332	35	169	134	35	198	198	
Unallocable.....	411	6	405	405		405	6	6	

TABLE B.—United States Government loans and property credits—Amount available, utilized, and unutilized, as of June 30, 1947, by type and country

[Millions of dollars]

Country	Amount available, July 1, 1945–June 30, 1947			Amount utilized, July 1, 1945–June 30, 1947			Unutilized balance, June 30, 1947		
	Total	Export-Import Bank and other loans	Property credits	Total	Export-Import Bank and other loans	Property credits	Total	Export-Import Bank and other loans	Property credits
Total.....	9,128	6,426	2,703	7,309	5,052	2,258	1,819	1,374	445
Europe.....	7,977	5,734	2,242	6,752	4,776	1,976	1,225	958	267
Paris Conference countries.....	7,388	5,544	1,845	6,414	4,689	1,725	974	855	120
Austria.....	11	1	10	1		1	9	1	9
Belgium and Luxemburg.....	149	100	49	149	100	49			
Denmark.....	30	20	10	15	15		15	5	10
France.....	1,907	1,200	707	1,698	998	700	209	202	7
Greece.....	121	25	96	55	5	50	67	20	46
Italy.....	331	130	202	223	24	199	108	106	2
Netherlands.....	283	205	78	256	197	59	27	8	19
Norway.....	80	50	30	10		10	70	50	20
Turkey.....	41	28	13	6		6	34	28	6
United Kingdom.....	4,435	3,785	650	4,000	3,350	650	435	435	
Countries not at Paris Conference.....	546	149	397	337	87	250	209	62	147
Czechoslovakia.....	73	23	50	30	22	8	42		42
Finland.....	106	81	26	71	58	13	35	23	13
Hungary.....	37	7	30	10		10	27	7	20
Poland.....	90	40	50	30		30	60	33	27
U. S. S. R.....	242		242	196	7	196	45		45
Europe, unallocable.....	41	41					41	41	
Canada.....	6	6		12	12		6	6	
Latin-American countries.....	473	394	79	184	149	35	289	245	44
China.....	229	98	131	163	60	103	66	38	28
Japan.....	15		15	7		7	8		8
Korea.....	25		25	3		3	22		22
Philippines.....	76	70	6	76	70	6			
All other countries.....	332	128	206	134		127	198	121	78
Unallocable.....	6	6					6	6	

TABLE C.—U. S. Government grants under other relief—Amount available, utilized, and unutilized, as of June 30, 1947, by type and country

[Millions of dollars]

Country	Amount available, July 1, 1945-June 30, 1947					Amount utilized, July 1, 1945-June 30, 1947					Unutilized balance, as of June 30, 1947			
	Total	UNRRA and post-UNRRA	Occupation program	Lend-lease	Other	Total	UNRRA and post-UNRRA	Occupation program	Lend-lease	Other	Total	UNRRA and post-UNRRA	Occupation program	Other
Total.....	7,174	2,642	2,014	1,151	1,365	5,266	2,310	1,484	1,151	319	1,908	332	530	1,046
Europe.....	4,183	1,973	1,219	420	570	3,150	1,641	989	420	99	1,033	332	230	471
Paris Conference countries.....	1,943	802	285	420	436	1,414	673	285	420	35	529	129	-----	400
Austria.....	184	104	79	-----	-----	139	59	79	-----	-----	45	45	-----	-----
Belgium and Luxemburg.....	61	1	-----	60	-----	61	1	-----	60	-----	-----	-----	-----	-----
France.....	21	3	-----	16	2	21	3	-----	16	2	-----	-----	-----	-----
Greece.....	624	321	-----	-----	303	274	271	-----	3	350	50	-----	300	-----
Italy.....	595	359	206	-----	30	561	325	206	-----	30	34	34	-----	-----
Netherlands.....	20	1	-----	19	-----	20	1	-----	19	-----	-----	-----	-----	-----
Norway.....	1	1	-----	-----	-----	1	1	-----	-----	-----	-----	-----	-----	-----
Sweden.....	1	1	-----	-----	-----	1	1	-----	-----	-----	-----	-----	-----	-----
Switzerland.....	2	2	-----	-----	-----	2	2	-----	-----	-----	-----	-----	-----	-----
Turkey.....	100	-----	-----	-----	100	-----	-----	-----	-----	-----	100	-----	-----	100
United Kingdom.....	334	9	-----	325	-----	334	9	-----	325	-----	-----	-----	-----	-----
Countries not at Paris Conference.....	1,759	969	771	-----	61	1,529	945	524	-----	61	230	-----	230	-----
Czechoslovakia.....	174	168	-----	-----	6	174	168	-----	-----	6	-----	-----	-----	-----
Germany.....	767	13	754	-----	-----	537	13	524	-----	45	230	-----	230	-----
Poland.....	349	304	-----	-----	45	349	304	-----	-----	45	-----	-----	-----	-----
U. S. S. R.....	168	166	-----	-----	2	168	166	-----	-----	2	-----	-----	-----	-----
Yugoslavia.....	301	293	-----	-----	8	301	293	-----	-----	8	-----	-----	-----	-----
Europe unallocable.....	481	227	180	-----	74	207	24	180	-----	3	274	203	-----	71
Latin-American countries.....	22	-----	-----	5	17	22	-----	-----	5	17	-----	-----	-----	-----
China.....	1,099	334	-----	644	121	1,099	334	-----	644	121	-----	-----	-----	-----
Japan.....	591	-----	591	-----	-----	391	-----	391	-----	-----	200	-----	200	-----
Korea.....	145	1	144	-----	-----	45	1	44	-----	-----	100	-----	100	-----
Philippines.....	693	10	28	-----	655	118	10	28	-----	80	575	-----	-----	575
All other countries.....	35	1	31	2	-----	35	1	31	2	-----	-----	-----	-----	-----
Unallocable.....	405	324	-----	79	2	405	324	-----	79	2	-----	-----	-----	-----

Mr. LANGER. Mr. President, no survey has been made of conditions within our own country to determine the needs of our own citizens. Veterans, farmers, school teachers, Indians, and the underprivileged of various classes have been suffering for a long time from the want of necessary food and clothing. There are in this country literally millions of people who today are not obtaining sufficient wages to keep body and soul together. Nothing has been done about the request of Gen. Philip Fleming for \$75,000,000, either to allow it in whole or in part, or to disallow it entirely. Our people are in need of public clinics and health centers. In view of all these things, and further, in view of the fact that in my judgment our first duty is to provide for our own people, I announce that I shall vote against the pending bill.

Mr. MAGNUSON. Mr. President, I shall be very brief. I am going to support the bill. I may say, so long as we are embarking on a program of international aid, I think that aid to China has been long overdue. I had originally intended to offer one or two amendments to the bill, as I did to the bill for European economic recovery, dealing with certain phases of the administration of this aid. However, after some discussion of the matter, and because, though it is sometimes unwise legislatively to issue directives to an administrator, it is often wise to let the administrator know how some of us feel about what he may do, if and when the bill is passed, I have refrained from offering an amendment; but I should like briefly to put into the RECORD some of the ideas on administration that I have in regard to one phase of this bill for

aid to China, which will seriously affect a very vital interest in my State and in the Pacific Northwest, if the administrative program is not carried out in the manner I am about to suggest.

In the committee report on Senate bill 2393 there appears on page 8 a probable list of commodities which will be shipped to China under this program. A somewhat similar list appears on page 31 of the committee print, published by the Foreign Affairs Committee of the House, giving background information on economic assistance to China. Both indicate that approximately 225,000 tons of wheat equivalent will be made available to China under the program we are now discussing, and which the House has discussed.

In the House document there appears on page 31 a footnote which refers to the 225,000 tons of wheat equivalent. This footnote states:

Provisionally about 40 percent from the United States, 40 percent from Australia, and 20 percent from Canada, and to be about three-quarters flour.

About three-fourths of the whole amount is to be flour rather than wheat. This is the item that particularly interests me and a number of people in my section, because of a great historical economic reliance on the export of flour and other milled products which go to the Orient, particularly China. If the administration of this program is not carried out properly it could very well injure financially and economically the milling and feed industry in the Pacific Northwest, extending down to California, and jeopardize its existence.

I am particularly interested in this item because shipments of wheat equivalent from the United States have a

definite bearing on the welfare of the milling and feed industry in the Pacific Northwest. I am informed that approximately 65 percent of the wheat now being shipped from the Pacific Northwest to Japan and other relief and claimant countries is shipped in the form of wheat, not flour. This has the effect of making mill feed, the byproduct of wheat produced in grinding flour, scarce and high in price. This in turn has the effect of increasing the cost of feed and curtailing the production of poultry and dairy products.

It has resulted in the flour mills in the Pacific Northwest operating on a very short schedule. Fisher Flouring Mills for example, during some weeks in March, have operated only 3 days. It has been estimated that 60 percent of the milling capacity of the Pacific Northwest is not operating. Under these circumstances, labor employed in those mills suffers as well as management which operates them and those industries which utilize the byproducts of the mills. During the last 2 weeks I have had numerous letters and telegrams from flour mills in the State of Washington, urging that there be a provision in the China aid bill requiring that a minimum of 75 percent of the wheat allotted for shipment to China be in the form of flour. That is the historical reliance these mill have had on the export of mill products to the Orient.

Obviously, it would be unwise to tie the Administrator's hands by stipulating that 75 percent of the 225,000 tons of wheat equivalent provided under this program be shipped in the form of flour. Circumstances beyond the Administrator's control might dictate that only 70, 72, or 73 percent would be practical. I

am informed that during the 8 months preceding February 15, 25,000 tons of wheat were shipped to China and 57,000 tons of flour. The ratio of wheat to flour during the last 8 months approximates a 30-70 ratio. Even this ratio, however, of shipments of wheat equivalent emanating from the United States was not sufficiently high to prevent serious hardship to the milling industry in the Northwest. Proof of this fact is contained in the statement I made earlier, namely, that only about 65 percent of the wheat being shipped from the Northwest at the present time is moving in the form of flour.

I sincerely hope the Administrator of this bill will give serious attention to the plight of the milling industry in the Northwest and will make every effort consistent with China's own need to insure that approximately 75 percent of shipments of wheat equivalent from the United States move in the form of flour. At this point, Mr. President, I should like to have inserted in the RECORD following my remarks, a number of communications I have received from Northwest industry in regard to this problem.

There being no objection, the communications were ordered to be printed in the RECORD.

(See exhibit A.)

Mr. MAGNUSON. Mr. President, I hope, in view of the fact that I have refrained from attempting to offer an amendment to the bill on a matter vital to my section, that when the bill becomes a law I shall have support from those who have sponsored it in the Senate to the end that the Administrator may keep in mind this historical reliance that means so much to a great industry on the Pacific Northwest.

EXHIBIT A

SEATTLE, WASH., March 12, 1948.

HON. WARREN G. MAGNUSON,
United States Senate,
Washington, D. C.:

Proposed economic assistance program for China covers quantity of wheat and/or flour 40 percent of which is to be furnished from United States and provides about three-fourths to be in form of flour. We strongly urge in considering this matter language be made affirmative that minimum quantity flour must be 75 percent of total wheat equivalent from this country. Flour mills this district badly in need of milling and every effort should be made to keep these mills running and labor employed.

CENTENNIAL FLOUR MILLS CO.

SEATTLE, WASH., March 18, 1948.

HON. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

We urge you use influence to insure in proposed China economic assistance program that minimum of 75 percent of wheat allotted be shipped in form of flour; essential Pacific coast mills have this business to maintain normal operations and to assure byproducts for feed which in short supply.

NOVELTY MILL CO.

WALLA WALLA, WASH., March 11, 1948

HON. WARREN G. MAGNUSON,
Senate Office Building,

Reference economic assistance program China. In commodity program justification we note flour requirements about 75 percent. We respectfully urge this be made specific at no less than 75 percent. Flour mills in

Oregon and Washington are seeing large quantities grain going offshore with mills running at 40 percent capacity, placing labor in dire need of work, causing severe millfeed shortage in dairy and poultry industry. If this aid to China is needed we feel that Pacific coast flour to extent available should be forwarded in preference to that of Australia and Canada.

PRESTON SHAFFER MILLING CO.

WAITSBURG, WASH., March 13, 1948.

HON. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.

DEAR SIR: I wish to bring to your attention a very serious condition in our State and the Pacific Northwest.

In our small town is a plant of the Preston Shaffer Milling Co., which has operated a flour mill here since 1865 continuously, even through the last depression. Yet, in what are supposed to be good times, we have been shut down now for 2 months, and nothing in prospect at present. This is indeed a blow to the company and to the employees, of whom I am one.

Perhaps you would think that this in no way concerns you in our Government, but it really does, as there are several actions of the Government which have helped to bring about this situation.

The Pacific Northwest has been drained of wheat for export, mostly in the form of wheat, which has resulted in our getting no export flour business, and also in raising the price of our wheat so high in comparison with the East and Midwest that we are also crowded out of that domestic market. Surely, something should be done to get the United States Department of Agriculture to ship more of this grain in form of flour so that our mills and men would have employment and also have millfeed here for our stock.

Also, there is a market for more flour in the Philippine Islands and Cuba if certain controls were lifted to give freedom of export. One other thing that has hurt us a great deal is the continued percentage freight increases that have resulted in our being almost completely priced out of our eastern markets by the Midwest and East, who have had lower raises, as they had lower rates in the beginning.

Our mill is not large, but this affects many others, as well, and the total is quite large. You may rest assured that anything you can do to help this situation will certainly be appreciated and will be a great service to the State of Washington.

Thank you very much.

Very truly yours,

J. M. GRAHAM.

Mr. CONNALLY. Mr. President, as a member of the Committee on Foreign Relations I heartily support the pending bill. The able chairman of the committee has already fully explained to the Senate its terms and provisions. The debate has been rather full. I do not regard it as at all necessary to enter into a detailed discussion of the measure, except to say that, of course, its purpose is to extend aid to China in the hour of her need.

Conditions in China have been, as is well known, greatly disturbed. For 8 years she was at war with Japan, invaded and subjugated, and she is now involved in an internecine civil war which has brought great suffering to her people and has placed upon the central Government of China great burdens and difficulties which it is hardly able to bear.

The sum which is involved is not, I grant, sufficient to solve all the problems of China. It will be only an incentive,

a rather substantial one, in a way, and an encouragement to China to know that the great Republic across the seas is her friend and wants to see her rehabilitated and reinstated in her ancient power.

Mr. President, China is a peculiar country. Reaching back for thousands of years into antiquity, she has traditions and historic connections which are perhaps different from those of any other nation on the face of the earth. She has for centuries withstood invasions, and, in a way, has always survived them, though nominally subjugated. Even Genghis Khan, when he made his world sweep of invasion, did not succeed very well in China. He invaded her and conquered a portion of her territory, but finally he had to withdraw, and such remnants of his armies as remained in China were absorbed, taken into the Chinese economy, and completely obliterated, so far as exerting any substantial influence upon China was concerned.

Most of the sum of money to be authorized is for the actual necessities of life for the teeming millions of China. There is an item of \$100,000,000 which is not earmarked, for good and substantial reasons. We cannot, in a program of this nature, anticipate every need or necessity which may arise. We cannot tie the hands of the Administrator by requiring that he must furnish this, that, and the other, and nothing else. It is in the nature of an outright grant to China for her use, under her own responsibility, for whatever great and critical need may arise.

There is not a word in the bill regarding military supplies or military aid. It is, of course, entirely probable that the \$100,000,000 grant may, if the exigency should arise, be utilized by the Central Government in China for the purchase of munitions, equipment, and arms. It is as important to protect China against invasion and subjugation as it is to protect the bodies of her people by providing the food which is to be sent to her under other provisions of the bill.

The committee unanimously reported the bill. There is wide sentiment throughout the country in favor of furnishing aid to China. This measure is the best plan or device we could bring about in the committee to extend aid to China, without making hard and fast commitments which we did not feel it was wise to make.

I am sure we all read in the newspapers recently that Chiang Kai-shek issued a public statement appealing for the aid of the peoples of the world, stating that China was at the very door of destruction, on the brink of disaster. We have heard his appeal and are responding to it. We are extending aid, not in the proportions that many persons would desire, but aid of a very substantial character which, in an hour of crisis, of danger, and of need may be of great assistance to China, because in every issue there is always a point at which an inconsiderable force is sufficient to balance the scale in favor of one side or the other.

So, Mr. President, I hope the Senate will, by a resounding vote, support this measure and give Government sanction to trying to aid a great people of a great

nation which has been our traditional friend, and to which we have extended generous aid in the past. We hope this aid will be of substantial assistance in furthering the ambitions of China for democracy and free government, and in rehabilitating her economy, so that she may be put in such a position that she may, through her own resources and by her own devices, regain the place in the economy and the civilization of the world to which her history entitles her.

Mr. PEPPER. Mr. President, I have only a few observations to make regarding the measure. It presents rather a dilemma to many of us to know how to vote with respect to it. As I said this morning, some of us are extremely solicitous that our purpose in aiding other people be not misunderstood and that it be not in such manner or form as to make ourselves vulnerable to the propaganda that we have anything other than honest aid in mind. I have felt that the China case presented a rather illuminating situation in which it would be possible to discriminate in such a way in the furnishing of aid that our motive could not possibly be under attack or legitimately misunderstood. I know that the people of this country have no other purpose in mind than the honorable service of democracy among men and honest aid to those seeking to preserve their own security and independence.

What has troubled me regarding this particular case more than has any other thing is the matter of those with whom we are required to be associated in the assistance we give, and whether the very fact that the people we are expected to assist are themselves vulnerable subjects us to a criticism which we do not and should not deserve. I feel with all my heart that the only solution of the problems of China ultimately is an effective working democracy in that country.

I feel that the effective answer to communism is an effective democracy, and I know of no place in the world where that is more true than in China.

I am not going to dispute the allegation that, in some parts of the world there appears to be, by the overwhelming weight of the evidence, an element of force behind the persuasion of communism. Wherever force appears there can be no question, of course, about the necessity of interposing a counterforce of equal power to prevent aggression, and "to preserve the freedom of choice," words used this morning in the debate, for the people under assault.

I think we must in fairness say that the evidence has not been such with respect to China as it has been with respect to Greece. There has been a constant assertion that in Greece aid was given across the border by a neighboring country. That fact has been supported by the testimony of a duly accredited mission of the United Nations. So far as I know, there has been no similar United Nations commission which has made a study of the situation in north China and made a comparable report. I do not know of a United Nations rec-

ommendation which today demands the kind of support which we are asked to give to the Nationalist Government in China.

If the aid from across the border, which we are told exists in Greece, is not being given today in China, I would not of course wish to interpose military force, and I am glad that the committee has made it clear that we are not, legislatively, at least, adding military to the economic aid we provide in the measure before us.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Texas.

Mr. CONNALLY. Anything which supports human beings in the way of food and the like in a measure is military aid, if the people are in the field fighting.

Mr. PEPPER. I was distinguishing military from economic assistance.

Mr. CONNALLY. Very well.

Mr. PEPPER. What I want to say is that I have noted particularly in the pending measure the authority provided for American administrators to see to it that the aid given is properly distributed. I was very much gratified to observe that. In fact, I notice in the recommendation of the committee that the Administrator, who has the same authority with respect to the other Marshall plan countries, shall have the power, and I presume the final say-so, as to the distribution of the aid. I feel very much better about it after observing that recommendation of the committee, and the interpretation of the bill, that it will finally be up to an American Administrator to see to it that what we give by way of aid is properly distributed to the Chinese people, and is not subject to exploitation by those who would even be willing to accentuate the grief of their fellow countrymen to assuage their own appetites for greed and avarice. I am concerned about our going further than that.

I have here the report of the China-United States Agricultural Mission, and that mission has made definite recommendations as to improving the lot of the Chinese people. Here they are:

1. That increased emphasis be placed on the construction of chemical-fertilizer plants; on the development of irrigation; on the improvement of plants and animals and their protection from insects and diseases; on forestry to provide timber for construction and fuel; and on the production of fruits, vegetables, and livestock to improve diets and nutrition.

2. That action be taken to adjust the currency-exchange rate, to lower costs of transportation and credit, or to take other steps which will encourage the production and export of important agricultural commodities, such as tung oil, silk, tea, and carpet wool, and which will revive the present depressed domestic industries related to them.

3. That means be found to provide adequate farm credit at low cost; to assist farmers in marketing their products; to improve the conditions of tenancy where serious tenancy problems exist; to advance as rapidly as possible land surveys, registration, and appraisal; and to enforce the provisions of the

land law of 1946 with respect to the taxation of land.

4. That provision be made for standardization, grading, inspection, quarantine, and market regulations for agricultural products moving in foreign trade and in trade within the country.

5. That programs relating to general education, public health, sanitation, transportation, river conservancy, and flood control be advanced as rapidly as possible.

6. That an integrated system of regional agricultural colleges and experiment stations be developed by the Ministry of Education and the Ministry of Agriculture and Forestry, working together; and that the present Agricultural Extension Commission be reorganized into a National Agricultural Extension Administration under the Ministry of Agriculture and Forestry, with appropriate regional, provincial, and hsien offices.

7. That nine strong centers of agricultural instruction, research, and extension be established at points from which they can serve all sections of the country, at which there should be a regional college of agriculture, a regional agricultural experiment station, a regional agricultural extension office, and a regional agricultural library. The centers proposed are Nanking, Peiping, Changchun, Lanchow, Wukung, Chengtu, Wuchang, Canton, and Faipen.

8. That there be established in the Ministry of Agriculture and Forestry a National Agricultural Regulatory Administration with 16 regional offices.

9. That there be established a single Government-sponsored bank to serve agricultural needs, to be known as the Agricultural Bank, by bringing into a single organization the present Farmers' Bank of China and the Central Cooperative Bank.

10. That the Ministry of Social Affairs consider action which might suitably be taken by the Government to guard against a rapid increase in the growth of population.

Mr. President, those were the 10 recommendations of the China-United States Agricultural Mission.

Now, just three other paragraphs from this report.

The great importance of a well-balanced and progressive agricultural program to the well-being of the Nation is evident. The people of China depend on agriculture for materials from which come, in whole or in part, the nation's food, clothing, fuel, and shelter. Whatever affects directly the welfare of agriculture and the 75 percent of China's population engaged therein, affects the welfare of every citizen of the country. The mission believes that a sound and comprehensive program in agriculture, which will bring substantial improvement in the living conditions of rural people, will contribute materially to a fundamental solution of present internal problems.

And last:

The development of industry is contingent upon a simultaneous development of agriculture. In fact, both must progress together. The greatest potential market for China's manufactured goods is its own large rural population, which can buy these goods only after it possesses a larger purchasing power. An industrial development also will require the acquisition of machines and tools from abroad, which must be purchased with foreign exchange. Around 70 percent of the value of China's total exports before the war came from agricultural commodities. Therefore, agriculture is the most important source for obtaining the necessary foreign exchange to develop China's industry. Anything which can be done to promote the production, processing, and marketing of agri-

cultural products for export will aid in the further development of industry and serve the general public welfare.

This mission is agreed that much can be done to accomplish these things. From observation made during its travels in the 14 Provinces, it is fully convinced that agricultural production in China can be greatly increased by the application of modern scientific knowledge to the improvement of soils, crops, livestock, and farm equipment. It also believes that the income of farmers can be greatly enhanced and the present poverty of many rural communities reduced by improvements in land tenancy, farm credit, and agricultural marketing.

Mr. President, I ask unanimous consent to incorporate at this point in my remarks A Note on Aspects of Reconstruction in China, in connection with the report of an Economic Commission for Asia and the Far East, and a Survey of Reconstruction Problems and Needs, made by an economic commission of the United Nations organization.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

I. A NOTE ON ASPECTS OF RECONSTRUCTION

This report is concerned with immediate reconstruction requirements and problems in the region coming within the scope of ECAFE. Reconstruction is regarded as the process whereby per capita productive capacity and living standards are restored to the level which existed in the best years prior to World War II, as such reconstruction is a preliminary step in the long-term process of economic development and progress.

Since fundamental changes have occurred in the structure of the world economy, reconstruction is not interpreted as necessarily requiring the restoration, unmodified, of the prewar patterns of production or consumption in each separate country. Indeed, to overlook such changes may, in some cases, hamper recovery by directing effort into channels less productive than would otherwise be possible. For example, having regard to the development of synthetic rubber during the war, it is a matter for investigation how far it is economically desirable to go, in what areas, and by what methods, in the restoration of the prewar capacity to produce natural rubber. On the other hand, certain changes, for example, those affecting the economy of Japan, may provide new opportunities which it may be desirable to explore rather than restore other less promising types of production.

There is a further consideration. In some aspects of production in certain countries, the urgent problem is not so much to restore prewar productive capacity as to prevent deterioration even from the present low level, or to utilize existing productive potential to the full. For example, there has been a considerable reduction in the number of spindles in China. Shortages of power, difficulties in transport, difficulties in obtaining supplies of raw cotton, and the disturbance of cost-price relationships as the result of inflation and other circumstances, make it very difficult to keep even the reduced number of spindles in operation despite the shortage of textiles. Hence, in the opinion of some Chinese authorities, priority should be given (for example, in the allocation of foreign exchange) to the removal of impediments to the full utilization of existing spindles rather than to increasing the number of spindles.

This illustration also raises other questions. The full use of increased plant and machinery may yet be possible unless the parallel development of other productive

resources occurs; for example, of transport and supplies of labor and technical personnel, raw materials, and power. Equally, it may be of little use simply to provide implements, draft animals, fertilizers, or fungicides in order to increase agricultural production, because disturbed political conditions, the shortage of incentive goods, or disrupted transport prevent the distribution of agricultural commodities. Such considerations are germane to both domestic investment and foreign borrowing. They raise the question of the absorptive capacity of an economy for new material investment.

The attempt, by means of questionnaires, to obtain information on the shortages which must be made good to restore production to its prewar level, is a necessary first step in providing the basic information for reconstruction programs. But the considerations to which attention has been drawn above, and others which might be adduced, suggest the desirability of obtaining other types of information, not always expressible in quantitative terms, to bring out the difficulties to be overcome, both at the national and international levels, and enable priorities to be determined; to select the problems most amenable to attack in short time, and to enable the separate countries to relate their policies and programs to those of others within the region.

Since incomes are already low, the margin available for saving and therefore for investment in more or improved kinds of capital is very small. Where income distribution accentuated by inflationary conditions is uneven the wealthier groups may be able to save and invest; but it is still true that the ratio of new capital formation to needs is insufficient for the requirements of economic progress. This is the main justification for the argument that economic development in the Far East demands borrowing from abroad.

Except in Japan and parts of Indonesia and India, the inadequacy of the transport systems is a reflection as well as a cause of low per capita productivity.

In 1935 China, with a population of some 400,000,000 had 52,000 registered motor vehicles. The United States, with about one-third the population had 30,615,000 and New Zealand, with a population of 1,600,000, had 209,463 motor vehicles registered.¹ The two latter countries had the highest ratio of motor vehicles to population and were at the top of the list in Colin Clark's international comparisons of real income. The coincidence is not accidental. The ratio is both a consequence and a cause of higher living standards; a consequence because, with affluence comes the ability to make improvements in transport, both for business and pleasure; a cause because improved transport permits the exchange of goods and through it regional specialization and the division of labor. Despite qualification necessitated by topography and population density, the generalization holds, and is of primary importance.

The relationship also holds broadly for railway and road development. Fong² quotes the following figures most for prewar for railway mileage per million people.³

¹ Katrine H. C. Greene, *An Economic Survey of the Pacific Area*, pt. II, Transportation, I. P. R. New York, 1941.

² H. D. Fong, *The Post War Industrialization of China*, National Planning Association, Planning Pamphlets No. 12-13, 1942.

³ For a more detailed tabulation c. f. Katrine C. Greene, *An Economic Survey of the Pacific Area*, pt. II, Transportation, Institute of Pacific Relations, New York, 1941, p. 12.

	Kilometers
China.....	25
British India.....	262
Japan.....	349
U. S. S. R.....	511
United Kingdom.....	734
Germany.....	884
France.....	1,004
United States.....	3,200

CHINA⁴

Supplies of agricultural products were reduced because of the diminution in area under production from military operations and the diversion of the Yellow River. The neglect of flood-control work, irrigation, and drainage, the slaughter of draft animals, and the loss of plows and other farm implements also operated to reduce production. Floods alone wrought considerable damage, but the area affected being estimated at 21,700,000 acres, or 9 percent of the total cultivated area, of which 7,100,000 was along the Yellow River. In the 15 provinces of free China, the number of domestic animals declined by 48 percent and of poultry by 17 percent. Cotton production in 1945 was only about 30 percent of the prewar volume. Forests were heavily depleted. The wanton destruction of mulberry trees by Japan caused considerable damage to the silk industry.

The fishing industry suffered a loss of 400 out of 771 trawlers, between 50,000 and 60,000 junks out of a total of about 101,000 and nearly 50 percent of the equipment. Deliveries from UNRRA have substantially improved the position.

Out of a total of 13,820 kilometers of railways outside the northeastern provinces and Taiwan at the end of the war, 2,399 kilometers or 17 percent were totally destroyed or dismantled and 1,871 kilometers, or 15 percent, partially destroyed. In March 1946 there were 2,612 locomotives, 26,133 freight cars, and 2,709 passenger cars, but one-half of the locomotives, 40 percent of the passenger cars, and one-third of the freight cars were reported damaged. At least 10 percent of the rails and 25 percent of the sleepers needed replacement, while many railway shops had been damaged or dismantled.

Some improvement in the situation has been made possible by the receipt of UNRRA supplies. This is summarized in the following table:

UNRRA railway supplies for China

	Programmed	Procured	Received
Locomotives.....	262	242	192
Freight cars.....	3,445	3,445	3,445
Bridging, long tons.....	43,300	43,300	17,500
Rails, rail accessories, long tons.....	84,000	180,000

¹ Including rails for 600 miles of track.

"In many places in occupied areas," states an UNRRA report, "entire roads were obliterated and the fields restored to the condition before the road was built." Over the whole occupied area, it was estimated that 20 percent of the roadbed and 80 percent of the bridges were destroyed. Some 64,000 kilometers of highways were considered to require rebuilding. On the assumption of the considerable use of manpower, the estimated cost of rebuilding at 1937 prices was CN\$77,126,000.

As a means of facilitating reconstruction, supplies of tools, materials, and equipment

⁴ Comparison between the prewar and the postwar statistical data is, in many cases, difficult, as the former do not include Formosa or Manchuria.

were procured by UNRRA. By September 1947 the position was as follows:

	Procured tonnage (long tons)	In China, tonnage (long tons)
Highway hand tools.....	521	521
General construction equipment.....	17,917	16,958
Highway repair material (including steel bridging).....	36,288	27,518
Total.....	54,726	44,997

The loss of fishing craft already mentioned was paralleled by heavy losses in other vessels. The total tonnage of inland and coastal shipping was nearly 1,070,000 tons in June 1936. By December 1945 it had declined by nearly 71 percent to 313,144 tons. The loss was greater for steam than for sailing vessels; 82 percent and just under 50 percent, respectively. Losses in wharves, cranes, lights, buoys, berthing facilities and impediments to the use of facilities by silting were due to neglect rather than to destruction. In some places the Japanese preserved or improved facilities to meet military requirements.

After the termination of the Sino-Japanese war, tonnage was augmented by repairs to old ships, taking over Japanese and puppet ships and the purchase of new ships. According to an unofficial estimate, this increased the tonnage to 500,000 tons. In addition 40 old surplus ships were purchased from the United States and Canada.

As in other forms of transport, UNRRA made important contributions to rehabilitation. Timber and technical help have been made available for the rehabilitation of harbor facilities. Two hundred pontoon cells were assembled into pontoons to replace destroyed pontoons in various parts of the country, and 30 steel barges were allocated for floating piers and wharves. In addition, 748 barges were imported for the waterways program. Navigational aids costing United States \$332,000 were made available; these included light buoys, coastal lights, lanterns, and stationary light towers and minor accessories.

Complete losses to telecommunications systems have not been ascertained, but the following partial table affords some indication:

Telecommunication losses

	Installations before occupation	Estimated losses	Estimated minimum requirements for restoration
Copper wires, loop kilometers.....	110,799	33,900	152,900
Iron wires, wire kilometers.....	153,835	117,500	-----
Submarine cables, wire kilometers.....	2,200	2,200	-----
Local telephones, sets.....	139,445	66,050	122,700
Radio transmitters, sets.....	451	178	479
Carrier telephone equipment:			
3 channel, sets.....	3	2	-----
1 channel, sets.....	55	24	83
12 channel, sets.....	-----	-----	-----
2 channel, sets.....	-----	-----	110

¹ Lines.

It would appear from the table that in some cases rehabilitation is rightly taken to mean something more than simply making losses good.

Some judgment of the loss in productive power as the result of war can be made on the basis of production figures. These are given in greater detail in a later section of the report. Only illustrative figures will be given here. The best prewar output of coal was 41,000,000 metric tons as against 15,000,-

000 metric tons in 1946. For other minerals the comparable figures are given in the section dealing with industry, mining, and power.

The decline in production is attributable not simply to the dislocation of the current production by war conditions, but also to damage. Tungsten, antimony, and tin mines were closed down, and subsequently flooded and caved in because of lack of maintenance. The remainder suffered capital depreciation because equipment and operating supplies could not be imported.

As a result of the reoccupation of territory and of acquisitions from UNRRA, the electric power capacity under the control of the Government is higher than before the World War, but for the whole area of China, including Manchuria and Taiwan, the power has declined appreciably.

The main causes of the decline were: In Formosa, intensive Allied bombings; in Manchuria, removal of plants by the Soviet Army, and later (as well as in north China) interference with operations and destruction during the civil war; in China proper, poor maintenance, shortage of equipment and spare parts, and reduced supplies of coal.

The industrial picture generally must take account, not simply of the damage, depreciation, and interruption to current production during a prolonged period of war, but also of the virtual stoppage of the industrial revolution which was in its early stages on the outbreak of hostilities. The acceleration of industrial development by the Japanese, especially in the northeastern provinces, did not compensate for either the interference with development or the damage incurred during the war. There was great damage to physical assets, lack of maintenance, a shortage of replacements, and heavy depreciation and obsolescence.

Present capacity in pig-iron production is about 36 percent of prewar, though for steel ingots the capacity is about 11 percent greater than before the war. Sugar production capacity is about 50 percent of prewar, cement slightly higher than prewar, and textiles 40 percent of prewar. These figures do not tell the whole story, for actual output as distinct from capacity has declined even further below the prewar maximum output.

Conditions during the aftermath of war have been conducive neither to the rebuilding of devastated or depreciated plant nor to the maintenance of full capacity output with existing plant; these conditions are discussed in connection with the postwar situation.

In India and China, the requirements of war and a recognition of the necessity for competent personnel in the postwar period of reconstruction led to the establishment of schemes of training.

During the war under lend-lease agreements about 1,200 men and women were sent to the United States for training from China. With the ending of lend-lease, responsibilities for the 986 men who had already arrived in the United States were assumed by the Chinese Government. The Ministry of Economic Affairs has stated that between 1941 and 1947 it had arranged for the training of 4,383 workers in various industries and 6,677 workers in different ministries. The Ministry has now taken steps to outline plans for further vocational and industrial training.

With the destruction of capital are associated other losses and impediments to economic activity. Manpower is diverted from production. Materials, productive power, and transport are used which would otherwise be available for restoring the economy. In China, for example, railways and

shipping have been used for the movements of troops and supplies. The transfer of population, either compulsorily or in the attempt to escape to more stable and safer areas, disturbs productive processes. It becomes difficult even to keep existing productive resources fully employed. The disruption of transport and its diversion to military purposes are of especial importance in their effects in hampering the movement between areas of coal, food, raw materials, and finished products.

These conditions not only reduce the ability to produce but also the incentive. Economic insecurity in the enjoyment of the fruits of labor, threats of reprisals, and the lack of incentive goods discourages effort. In China, land has been abandoned.

The costs and confusion resulting from such conditions in several countries inevitably add to the problem of balancing the public finances and therefore increase inflationary pressure.

A particularly serious effect on the Chinese economy is the virtual blocking of economic exchange between the areas under the control of the Nationalist and Communist governments. As has been mentioned, the resources of Manchuria are vital to reconstruction in China—to an integrated development policy advantageous to the whole country. By the end of 1946 the Communists still held nearly 25 percent of the total area of China and Manchuria, which was occupied by 27 percent of the population.

Manchuria is of great importance as a reserve of mineral and agricultural wealth and a source of power. Of total mineral reserves Manchuria is estimated to possess the following percentages:

	Percent
Coal.....	1.5
Oil shale.....	41.6
Iron ore.....	65.4
Lead.....	52.7
Zinc.....	86.6
Aluminum clay.....	82.7
Magnesite.....	98.4
Pyrites.....	94.8

In addition, four-fifths of the timber resources are in Manchuria.

Manchuria's relative importance to the Chinese economy is equally demonstrated by figures of production. The following show the percentage of total production provided by Manchuria in a number of important products in 1936:

	Percent
Coal.....	31.9
Crude oil.....	100.0
Iron ore.....	45.2
Pig iron.....	82.6
Iron and steel.....	85.7
Lead.....	31.4
Salt.....	23.3

Over 65 percent of power capacity was in Manchuria, and 8.8 percent of cotton spindles. Manchuria predominated in the production of soybeans.

Railway mileage as of August 1947 was estimated as follows:

	Kilometers	
	Total length	Length in operation
China proper.....	14,578	8,572
Manchuria.....	11,336	1,067
Total.....	25,914	10,239

The depletion of coal supplies, especially to industrial cities such as Shanghai, is a major handicap in the present situation. The cutting off of supplies from areas now held by the Communists or from damaged

mines is an important cause of the present difficulties.

The World Food Survey of 1946 estimates the prewar per capita food consumption per day at 2,201 calories, but this average would cover considerable differences in different places, largely owing to difficulties in transport.

The prewar production of food crops amounting to 2,757,000 shih tan (1 shih tan being equivalent to one-half quintal or one-twentieth metric ton), increased by 3.1 percent to 2,844,000,000 shih tan in 1946, the first postwar crop year, and by 8.2 percent to 2,984,300,000 shih tan in 1947. Wartime food crop production, however, decreased by 20.6 percent, from 2,077,500,000 shih tan in 1937 to 1,649,000,000 shih tan in 1945.

The percentage increase of production during 1946-47 is 2.3 percent for cereals and 22.1 percent for root crops. The production of kaoliang has declined while that of pulses has shown no increase. Among the cereal crops the percentage increase is lower for the two staple crops of rice (4.7 percent) and wheat (1.1 percent), but higher for other crops (3.3 percent to 14.4 percent).

Changes in the production of the major food crops are given below:

China's production of food crops, 1936, 1946, and 1947 (for 22 Provinces, in million metric tons¹)

	1936	1946	1947 est- imate	In- crease of 1947 over 1946 (per- cent)
CEREALS				
Rice.....	48.0	47.4	49.4	4.7
Wheat.....	23.1	23.4	23.7	1.1
Barley.....	8.1	6.3	6.9	9.7
Oats.....	7.9	7.7	8.8	11.7
Kaoliang.....	7.7	5.5	4.9	10.0
Millet.....	6.8	7.8	7.8	—
Proso-millet.....	1.6	1.4	1.4	—
Corn.....	6.1	7.8	7.5	4.0
ROOT CROP				
Sweetpotatoes.....	17.1	15.7	25.9	16.5
PULSES				
Peas.....	3.5	3.1	3.4	8.1
Broad beans.....	3.1	2.9	3.0	4.9
Soyabbeans.....	5.9	4.5	5.6	22.6
SEEDS				
Peanut.....	2.6	2.2	2.2	—
Sesame seed.....	.9	.2	.7	—
Rapeseed.....	2.5	3.8	3.8	—

¹ The 22 provinces include: Anhwei, Chahar, Chekiang, Chinghai, Fukien, Honan, Hopei, Hunan, Hupeh, Kansu, Kiangsi, Kiangsu, Kwangsi, Kwangtung, Kweichow, Ninghsia, Shansi, Shantung, Shensi, Szechwan, Suiyuan, and Yunnan.

² Assumed to be the same as in 1946.

On the average of the years 1933-37, rice imports totaled 974,000 metric tons, wheat 585,000 metric tons and wheat flour 99,000 metric tons, the main suppliers of rice being Indochina, Siam, and Burma. The corresponding imports for 1946 were 123,000 metric tons, 359 metric tons and 178 metric tons respectively. Imports of rice from January to May 1947 were 148,000 metric tons, of wheat 35,000 tons and of flour 132,000 metric tons.

The total supply position appears to be approximately the same in 1947 as in 1936, increases in domestic production having been offset by smaller imports. Unfortunately, however, the disparities between different parts of the country are even more marked than in prewar years as the result of the effects of the Civil War and of the dislocation of transport. Populations handy to services of supply may have surpluses above prewar consumption, but it is difficult to shift these to deficit areas. The loss through

poor storage facilities and destruction of grain by rats is serious; considerable saving could be effected if attention is given to these factors.

The average production of meats and fish for the years 1934-47 is given at 6,470,000 metric tons. In 1946 it was lower by nearly 10 percent at 5,786,000 metric tons. Figures for the same years for egg production are 734,000 metric tons and 685,000 metric tons respectively, and for lard 997,000 metric tons and 833,000 metric tons respectively.

Comparative data for tea, sugar, vegetables and fruits are too scanty and incomplete to be of much value.

Tobacco production declined in 15 provinces from 475,900 metric tons in 1936 to 378,020 metric tons in 1942, but by 1946 had recovered to 448,000 metric tons. In 22 provinces including the above 15, production was 633,900 metric tons in 1936 and 618,700 metric tons in 1946.

Reliable data on the prewar production of tung oil is not available, but is considered to have varied around about 120,000 metric tons. Production for 1946, 1947, and 1948 is estimated at about 60,000 metric tons, or about half the prewar production.

Of great importance to the economy is the heavy decline in cotton production. There was some recovery of production in 1942 in the attempt to make good the loss of cotton imports on the outbreak of the Pacific war, but the decline in production continued thereafter until 1945. In that year production in free China was 33.2 percent of the prewar level, and occupied China 28.2 percent.

The supply position is indicated by domestic production and external trade in cotton as follows:

Cotton supply in China

(In metric tons)

Year	Produce- tion	Imports	Exports	Total supply
1936.....	848,800	26,800	40,700	844,900
1945.....	258,100	(1)	(1)	(1)
1946.....	376,500	234,600	—	721,100
1947.....	550,000	59,200	—	609,200

¹ Not available.

² Including UNRRA supplies.

³ January to June.

Estimates for domestic farm animals (buffaloes, oxen, horses, donkeys, goats, sheep, and hogs) and for poultry are difficult to compare because the figures relate to different total areas in different years. In 1946 there were stated to be 139,423,000 domestic farm animals and 254,717,000 head of poultry in 22 provinces (also Sinkiang, Sinkiang, Formosa, Jehol, and Manchuria) as against 145,647,000 domestic animals and 311,095,000 head of poultry in 1936 in 22 provinces (without Sinkiang, Jehol, Manchuria, and Formosa). Hence the decline in the aggregate appears important.

Figures are given in more detail as follows:

Livestock on farms, 1936 and 1946

(In thousands)

	1936	1946
Domestic animals:		
Buffaloes.....	11,056	9,203
Oxen.....	22,299	22,885
Horses.....	3,418	4,967
Mules.....	3,913	2,828
Donkeys.....	10,041	6,847
Goats.....	17,868	17,859
Sheep.....	14,025	19,227
Hogs.....	63,027	55,605
Poultry:		
Chickens.....	254,148	191,652
Geese.....	56,889	56,187

In discussing war damage, shortages of livestock, fertilizers, and farm implements, losses

in area or fertility due to evacuation, floods, and the deterioration of drainage and irrigation works were mentioned as among the causes of the decline in production. These give some indication of requirements.

In 1937, imports of fertilizer into China amounted to 187,621 tons of which 97 percent was ammonium sulphate. Taiwan, which relied heavily on chemical fertilizers for both sugar and rice, produced 30,000 tons and imported 410,000 tons as well as 167,000 tons of bean cake from Manchuria.

Taiwan's requirements are placed at 500,000 tons of chemical fertilizer annually, while China requires about 180,000 tons annually. Taiwan and China together are in a position to produce some 84,000 tons. Current import requirements are therefore about 600,000 tons annually, unless local domestic production can be increased. In view of the world shortage of fertilizer, projects are under consideration for the expansion of domestic productive capacity. These are estimated to require imported equipment to the value of United States \$50,000,000 and an equivalent amount in Chinese national currency for the purchase of materials locally and erecting the plants. The full completion of these projects is estimated to raise domestic production to 855,000 tons, remove the need for imports, and indeed permit of some expansion in the use of fertilizers.

There is a similar need for supplies of insecticides and fungicides. With the aid of UNRRA supplies, there has been much progress in insect and disease control. Further supplies are needed, the provision of which, from plants in Shanghai, Peiping, and Mukden, is handicapped by lack of materials, machinery and accessories.

In addition, imports are needed which include 720 tons of stomach poisons, 280 tons of contact insecticides, 40 tons of fumigants and 350 tons of fungicides.

Veterinary requirements are reported to include:

Br. abortus strain 19;
B. anthracis (avirulent) strain Nos. 2 and 4;
Avianized rinderpest virus seed culture;
Cl. chauvoei;
Penicillin (crystal) 10,000 bottles of 100,000 units;

B. T. V. 500,000 cubic centimeters.

Crystal violet vaccine (swine) first year, 500,000 cubic centimeters; second year, 200,000 cubic centimeters; third year, 50,000 cubic centimeters.

In addition, about 600 kinds of drugs, 500 items of equipment, and 200 titles of reference books and periodicals are listed as immediate needs for China's veterinary program.

Such requirements are of especial importance in view of the losses in domestic animals. So also is an increase in the number of technical personnel and the extension of facilities for technical training. Apart from the war, annual losses from contagious diseases are high. They are normally about 60 percent for chickens, 20 percent for hogs, and 5 percent for cattle and buffaloes.

In addition to reducing losses from disease, the Chinese Government plans to improve the native breeds by importing livestock and poultry.

Seeds are also required to improve the varieties of plants. Improved varieties of rice, wheat, cotton, millet, sweetpotatoes, sugarcane, oranges, and apples are available. Many improvements have been made by Chinese agriculturists and have increased yields of from 10 percent to 20 percent, but imported seeds are also needed, especially for cereals, cotton, and vegetables. Among import requirements are 1,500 metric tons of cottonseeds of Delfos 531 and the same amount of Stoneville 4, both being obtainable from the United States. In order to promote the extended use of such improved strains, more trained agriculturalists for extension work are needed.

Shortages of farm implements still have to be made good. The agricultural-implements program of UNRRA and the National Agricultural Engineering Corporation (organized on a nonprofit basis by the Ministry of Agriculture and the Farmer's Bank) provides for the manufacture of a wide range of farm implements and the development of improved models. The full program is estimated to require 3,000 tons of equipment, 7,000 tons of material, and over 5,000 technical personnel, including engineers and mechanics.

The necessity for the prevention of floods and for developments in irrigation and drainage has been referred to in relation to war damage. Large areas could be reclaimed or improved by these means, thereby both increasing average animal production and reducing the danger of famine. Irrigation needs include digging wells in the northwest and repairing canals and waterways and digging wells and installing pumps in the southeast:

Short-term needs for irrigation include:

Kind of equipment	Unit	Specifications
Power-driven centrifugal pumps, low lift, low head, with engine, suction and discharge pipes:		
6-inch.....	8,000	16 horsepower.
8-inch.....	6,000	25 horsepower.
10-inch.....	3,000	45 horsepower.
12-inch.....	1,000	60 horsepower.
Well-drilling rigs.....	880	4-inch pipe.
Deep-well pumps.....	13,200	4-inch suction pump, 16 horsepower.

In addition, equipment for manufacturing well-drilling rigs and pumps should be supplied so that China can establish plants to meet her own needs. Technical assistance in operating and manufacturing irrigation equipment is necessary.

Short-term irrigation projects over a 3-year period could cover 4,037,300 shih mow² at an estimated cost of US\$20,000,000. These are expected to increase crop production by 200,000 tons a year.

Large-scale flood-control and drainage projects are also proposed.

Information on fisheries does not permit of a detailed statistical analysis. A considerable amount of fishing is for subsistence and statistics on this are difficult to obtain. In the discussion on war damage reference is made where possible to losses of fishing vessels. This is useful to the general picture, but it is not reliable as a guide to reconstruction needs because of the difficulty in allowing for differences in the efficiency of craft, for the contribution of different types to the food supply, and especially for the degree to which acquisitions since the end of the war have made war losses good. For the above reasons the reconstruction problem as it applies to fisheries is stated in general terms.

It is impossible to give any reliable statistics of the fishing gear in use before the war. There are some statistics indicating the number of vessels of certain categories, but these are patently incomplete and moreover cannot be reduced to terms indicative of the amount of fishing effort available in the area. In those territories affected directly by the war there has certainly been considerable reduction in the amount of gear and the number of vessels. There was direct destruc-

² 1 shih mow equals 0.67 hectares.

tion and also loss caused by the inability to effect repairs and replacements. These losses have been estimated as being in the order of 50 to 60 percent in China, the Philippines, French Indo-China, and the Indies. Since the end of the war there has been rehabilitation of varying degree in these countries and also in those countries which were subjected to war effects of lesser intensity. In the case of traps and native gear which are built of native materials and are customarily replaced fairly frequently, rehabilitation has been effected so far as economic or political disturbances did not interfere. Moreover, UNRRA operations in China and the availability of surplus Army equipment in the Philippines and elsewhere have meant the introduction of a body of powered equipment in excess of prewar holdings. In the Philippines there has been an appreciable development of the fish-carrier business, by vessels obtained from surplus war stocks.

Only a relatively small proportion of the fish catch was eaten fresh, the bulk of it being processed by methods which would appear very primitive to western eyes. The chief methods were drying or salting, conversion to fish paste and conversion to fish sauce. There was some smoking, but, except for the Japanese operations, very little canning. The fresh fish consumed was eaten immediately after capture, except for the supply to certain cities, and it was only in relation to this exceptional supply that any ice or cold-storage facilities were required. Moreover, frozen or ice-protected supply was only a very small proportion of the total catch, but with the trend toward mechanization of the fishing operations processing and storage equipment are being developed. Ice-making plants are on the increase as a result of the surplus equipment left by the armies (in India, the Philippines, and elsewhere) and of extensive programs of de-

velopment. For example, UNRRA is bringing 75 ice-making plants to China. Canneries, production plants, and the like have been brought into the region or are being planned, and it is obvious that there will be considerable development of secondary handling equipment.

A notable development is in the initiation of oil production for medicinal purposes. Oil production for other purposes has been practiced for some time, but vitamin-oil production is new.

The installation of secondary equipment for food processing will compel the revision of marketing and handling practices and changes in food habits. These should be accompanied by an appropriate educational program. The fish-eating habits of most of the people are fairly well established and do not include the consumption of frozen fish.

It should be noted that in the war-affected countries, many of the plants for native processing were destroyed or neglected.

Two tasks must be undertaken: first, the restoration of the equipment destroyed, lost, or neglected because of the war, must be completed, and second, mechanization of the equipment must be proceeded with, this being in some cases an alternative to renewing old-type equipment. Fortunately, there is a general quickening of interest in fisheries. Almost all territories have plans for the extension, or even the creation of governmental organizations to include extension, development, and research.

In China some of the productive potential of the UNRRA equipment is being earmarked for a governmentally run or sponsored, integrated project. The Government of China also has other plans for the development of its fishing industry and in addition has established its National Fisheries Research Institute.

The following table summarizes the position in respect of major groups of industries:

Commodity	Prewar capacity	Prewar maximum output	Present capacity	Present output	Unit
Coal.....	55,000,000	41,000,000	30%	1946, 15,010,000; 1947, 8,577,000 (half year); 1948, 25,000,000 (planned).	MT
Pig iron.....	1,536,000	3,522,650	549,450	Nil.....	MT
Steel ingots.....	710,400	1,592,860	800,000	1947, first half, 5,676.....	MT
Steel products.....				1948, first half, 7,512.....	MT
Sugar.....	44,000	1,004,352,095	22,500	30,883,000 ¹	MT
Cement.....	2,240,000	1,463,376	2,650,000	1946-47, 725,000.....	MT
Textiles.....	5,082,000	5,900,000	3,000,000	(²).....	

¹ Kilograms.

² Spindles.

³ 1947 estimate, 2,475,000 MT's of yarn.

The textile situation is given in greater detail as follows:

Textile industry in China

	1936	1937	1947
Number of spindles, excluding doubling.....		5,102,796	4,500,000
Spindles working (March).....		5,052,792	3,800,000
Production of yarn (pounds).....	879,150,720		323,095,000
Production of cloth:			
Pounds.....	365,746,000		1251,400,000
Yards.....	1,219,150,000		1838,000,000

¹ First 6 months.

Destruction, damage, and depreciation of equipment and inability to procure replacements have been mentioned as among the

major causes of the decline in capacity. Decline in production is due not only to these factors but also to dislocation of transport, reduced supplies of power and raw materials and the general economic dislocation occasioned by war.

Among other factors which militate against the fullest utilization of the existing industrial assets are the dislocation of transport and supply of coal and electric power. Inflationary conditions, which have gathered momentum, have disturbed the relation between cost and market price to such an extent that production has suffered significantly. It has resulted in the diversion of capital to speculation, rather than to production, unprecedented decreases in interests, wages, and salaries, flight of capital and the neglect of capital equipment.

As regards mining, the best prewar output of coal was 41,000,000 metric tons as against 15,000,000 metric tons in 1946.

For other minerals the comparable figures are as follows:

Mining

Mineral	Best prewar production	1946	1947 ¹
Tungsten ore.....	14,541	2,331	5,500
Antimony (regulus).....	15,185	971	2,700
Tin.....	12,954	1,963	1,750
Copper.....	483	100	1,000
Lead.....	7,820	400	100
Zinc ore.....	14,567	100	80

¹ Estimated.

Apart from coal, electricity is a very important source of power in China, particularly in Shanghai where more than 50 percent of factories are run by electricity. Sixty-seven percent of the electric supply in China is derived from coal, and only 31.5 percent from water power.

The following figures give changes in capacity to produce electric power:

	Prewar capacity, installed kilowatts	Prewar energy output (maximum), millions of kilowatts	Before VJ-day 1945, capacity, kilowatts	June 1947, capacity
China proper, excluding Formosa or Manchuria.....	631,165	1,724.0	660,815	736,441
Formosa:				
1932.....	68,992	83.6		321,000
1938.....	225,345	384.8		
1941.....	362,754	1,510.7	320,000	
1944.....	320,000			
Manchuria:				
1937.....	412,000			
1941.....	1,108,300	(?)	1,768,920	267,000
Total:				
1936-37.....	1,265,498		2,749,735	1,324,440
1941.....	2,042,219		(1945)	(1947)

¹ 1939.

² Not available.

The output of current is given as follows:

Chinese-owned plants

Output of current:	
1946	3,624,053,661
1947 (January to March)	1,009,039,133

The above figures are incomplete, but they afford support to the view that the decline in power production is important. Reasons for this decline are given in the discussion of war damage.

The requirements for the restoration of production in the best prewar years are considerable, and it is not possible to list them fully. The following are among the main requirements:

Industry	Value of requirements	Details
Coal.....	US\$51,827,000.....	57,000 tons of new equipment to yield prewar output of 41,000,000 tons. Power plants, mine hoists, cars, railroad cars with locomotives, and all necessary mining equipment and accessories, spares, and repair or maintenance materials.
Iron and steel.....	US\$50,000,000 (plus Japanese reparations materials).....	To provide for initial capacity as under: (i) 1,178,000 tons per year of coke; (ii) 1,497,000 tons per year of pig iron; (iii) 1,680,000 tons per year of steel ingots; and (iv) 1,305,000 tons per year of rolled products.
Cement.....	US\$4,600,000.....	To restore prewar level of output: 4 turbogenerators, of 4,000 kilowatts each; 8 electric shovels; 16 air compressors; 6 saw-mills; 6 cement mills; 4 rotary kilns; and other equipment and instruments.
Sugar.....	US\$25,000,000 (orders placed in 1947 spring, US\$5,000,000).....	To reach prewar level of output: Machines, spares, construction materials, plantation railroad materials, fertilizers, etc.
Shipbuilding.....	US\$7,000,000.....	Machinery, installations, equipment, etc., and spare parts.
Mining.....	Not given.....	For tungsten, antimony, and tin mines: Diesel-oil power plants, 4 sets 150 kilowatts each, mining equipment, such as portable air compressors, drill-steel sharpeners, drill cutters, and shank drivers, hand shanking tools, hoists, oil furnace and mechanical leaders, as well as tungsten gravity mills, diamond drills, wagon drills, and machine-shop equipment.
Electric plants.....	US\$30,000,000.....	160 kilowatts of equipment: 130,000 kilowatts generating plants of 2,000- to 10,000-kilowatts capacity, hydro generating plants of total 30,000-kilowatts capacity, power transformers of 1,000- to 10,000-kilowatt-amperes voltage, totaling 150,000 kilowatt-amperes, 300 tons of conductors, 50,000 pieces of insulators, 30,000 pieces of disk insulators, 100,000 pieces of watch-hour meters, 100 pieces of switches, 5,000 tons structural steel, etc.

For all mills standard spare parts are needed and (except in tin mills) timber.

CHINA

Length of railways north of the great wall is given as 11,342 kilometers, of which only 1,667 kilometers are now in operation. South of the great wall (including Taiwan), the corresponding figures are 14,586 kilometers and 8,600 kilometers respectively. Some 5,660 kilometers of line south of the wall were destroyed or dismantled and of these 2,296 kilometers have been restored.

Even if the necessary materials were to be obtained and allotted, the rehabilitation of the Chinese railways north of the great wall does not seem to be a possibility owing to the events in Manchuria. This means that the quantity of material and equipment needed for the railways is greatly decreased as against the original estimate. The immediate problem, therefore, concerns the Chinese lines south of the great wall. Here the railway system has improved somewhat as the result of UNRRA acquisitions.

In order to maintain the existing railways, the Chinese Government states that 100 locomotives, 150 passenger cars and 1,600 freight wagons, approximately 4 percent of the existing rolling stock are required annually. Only about 10 percent of these requirements can be supplied from within the country itself.

The official estimates of requirements for rehabilitation and reconstruction are as follows:

Rails and accessories, 500,000 tons (C); turnouts, 3,000 sets (C); bridge and culvert steel, 60,000 tons (C); signalling and communication apparatus, 4,500 tons (C); cement in 1,000,000 pounds, 6.9, (A) 6.2, (B) 0.7; cross ties in 1,000,000 pieces, 14, (A) 4.2, (B) 1.4, (C) 8.4; switch ties in 1,000,000 FBM, 21, (A) 8.3; bridge ties in 1,000,000 FBM,

6, (B) 2.8; bridge timber in 1,000,000 FBM, 0.8, (C) 16.7.

For maintenance: Annual replacement: Rail and accessories in 1,000 tons, 60, (C); ties in 1,000,000 pieces, 5, (A) 3.5, (B) 0.5, (C) 1.0.

NOTE.—(A) Those that can be provided within China; (B) Those that can be provided from far eastern region; (C) Those that can be provided only from other sources than (A) and (B).

A five-year program of railway construction was contemplated involving additions as below:

	Existing number	5-year plan
Locomotives.....	2,141	2,300
Passenger cars.....	3,253	3,000
Freight wagons.....	39,178	27,000

But it now seems clear that this must be considered as a long-range project, and that until the existing lines have been rehabilitated priorities for its fulfillment are out of the question.

UNRRA railway supplies to China are given in the section as war damage.

The length of the existing national highways in 1947 is 74,853 kilometers. At present in southwest and northwest China only maintenance work and minor improvements are being carried out. In southern China there has been some minor improvement of arterial highways. In north China road maintenance is coordinated with military needs.

Lack of bituminous materials for the surfacing of highways, and lack of technical personnel have interfered with road improvements, so that even existing road-building equipment is not fully used.

Between 1937 and 1947 lorries increased in number from 17,655 to 37,287, but passenger

motorcars decreased from 36,143 to 16,071 and buses from 10,837 to 4,323.

Estimated supply requirements in China, both for road construction and motor transport, material and equipment for road construction

Description	Unit	Quantity	Unit price	Total sum
Structural steel.....	Ton.....	60,000	\$100	\$6,000,000
I-beam.....	do.....	67,500	80	5,400,000
Reinforcement.....	do.....	45,000	80	3,600,000
Lumber.....	M.b.m.....	60,000	150	9,000,000
Cement.....	Ton.....	125,000	24	3,000,000
Corrugated steel.....	do.....	50,000	100	5,000,000
Pipe and multiplate arch.....	do.....	300,000	60	18,000,000
Bituminous materials.....	do.....			2,000,000
Construction equipment and spare parts.....	do.....			
Total.....				52,000,000

NOTE.—The materials in the above table cannot be provided from within the country.

The estimated amount of motor supplies needed for 1947 is: Trucks, 4,000; gasoline, 13,500,000 gallons; lubricating oil, 1,350,000 gallons; tires and tubes, 54,000 sets; spare parts for 30,000 vehicles.

The supplies above cannot be provided from within the country. In 1946 the motor supplies used in China were: Gasoline, 48,300 metric tons; lubricating oil, 5,900 metric tons; tires, 34,700 metric tons; spare parts, 70 metric tons.

(The above items excepting 109,257 rupees' worth of tires from India, were purchased from the United States.)

As on July 1, 1947, the number of ships in China, both seagoing and inland vessels, was 2,518 with a total gross tonnage of 808,815. Of these there was not a sufficient number

of passenger or mixed passenger-cargo ships, namely, 50,000 and 152,000 tons, respectively, out of a total tonnage of 809,000. As regards fishing vessels, there were only 61 with a tonnage of 4,000 sufficient to meet only a fraction of the requirements.

IV. SUMMARY OF PROPOSALS AND RECOMMENDATIONS

A. Recapitulation of reconstruction needs

The preceding summary, incomplete and inadequate as it may be, serves to bring into sharp focus the immediate problems of this vast region where live nearly one-half of the world's population. Several parts of the region are in different stages of their transition from colonial status. Their fortunes had been linked with those of the more advanced countries through their trade relations which were complementary to those economies. They were producers and exporters of raw materials in return for imports of manufactured goods and capital, and their prosperity fluctuated with fluctuations in the demand for their goods. Very often the terms of trade were against them and this particularly in periods of depression when their incomes declined rapidly and seriously.

There has been a general lack of balance in the economic development of this region which is shown by preponderance of primary production and by the low degree of industrialization. Paradoxically, in spite of their dependence on agriculture, the region as a whole was unable to provide the essential foodstuffs for the vast population. The region was, however, making efforts to redress the balance and improve the situation when the war came. The war meant dislocation, damage, and in certain respects utter destruction of the precarious economy of this region. In the war zones large numbers of people suffered from injury, starvation, malnutrition, and death. Thus there has been a general decline in the already low standard of living which has resulted in undernourishment and disease.

The abandonment of land in fighting zones and the neglect of irrigation, drainage, and flood-prevention works threw out of cultivation large areas and caused a considerable diminution in fertility. After the war implements were worn out, livestock was depleted and there was a shortage of fertilizers, fungicides, and insecticides. Plantations suffered from neglect and shortage of fertilizers; timber resources were heavily depleted. The loss and destruction of fishing vessels and equipment reduced the supply of fish.

All forms of land transport were special objects of attack and in addition suffered from lack of maintenance. Rolling stock and road vehicles were heavily reduced in number and quality of operation. Heavy losses in shipping and damage to ports and installations have greatly impaired both inland and seagoing water transport.

Industries, mines, power plants, and commercial and residential buildings suffered likewise from damage and looting and from depreciation through overworking, neglect of maintenance, and the inability to import constructional materials, plant, machinery, and spare parts.

To these effects must be added the dislocation of economic organization and of governments and public administration. The additional strain on government and administrative personnel, the lack of training and recruitment during the war, and casualties have depleted the ranks of officials and raised a serious problem of recruitment and training for the future. The same applies to administrative and technical personnel in business.

The war also seriously dislocated international economic relations and has brought about important changes in the pattern of trade and investment. The changed posi-

tion of Japan and of European countries has affected their ability to contribute to reconstruction within the region as markets, source of supply, and sources of foreign investment. On the other hand, the United States had gained in financial strength and productive power, while Canada and Australia have increased their productive potential. Of great importance in the postwar situation are changes in political status in the direction of greater independence. All of these conditions will have marked consequences in international economic relations both within the region and between the regions and other parts of the world.

The continuance of political unrest within the region has resulted in further damage and losses and hampered reconstruction activities. It has intensified these inflationary pressures engendered by the war itself and by the general conditions of economic dislocation.

While there has been some recovery this has been uneven both as between countries and different types of production.

The needs are so large and urgent. It is difficult to determine the order of priorities, but in view of the immensity of the needs it may be useful to indicate broadly the most urgent ones.

Food is obviously priority No. 1. The provision of food to areas facing starvation is all-important, for without it no productive activity can be resumed or increased. The areas which had normally a surplus of food production and which used to export the surplus should be enabled to reattain their prewar production. Other areas which have clear possibilities of attaining some degree of increased output, if not self-sufficient, should be encouraged and assisted through supply of manures, fertilizers, farm implements, insecticides, farm cattle, and transport. Until that is attained such areas will need food imports for which purpose it is necessary that they should increase output of commercial and exportable goods. The expansion of production of such goods also requires assistance of the kind indicated elsewhere.

Scarcely less urgent is the rehabilitation of transport and the improvement of transport facilities. The damage to transport caused by the war is universal in this region. Every country has suffered heavily on account of the destruction of all forms of transport. Apart from the mere restoration and rehabilitation of transport, the expansion of transport facilities is basic to the production and movement of goods. In several countries even available food supplies cannot be properly distributed owing to lack of transport facilities. Coal production and distribution have also been held up on account of transport. For these and other reasons, urgent attention has to be given to the methods of rehabilitating and expanding transport.

The increased production and supply of manufactured goods, and in particular certain incentive goods like textiles, is not only essential in itself as part of a reconstruction program but is necessary to induce the cultivators to part with their food grains. In nearly all the countries of this region it has been found that the supply of consumer goods to the farmers is one of the means of procuring efficiently the available food supplies. Further increased production of manufactured goods is an essential condition for the restoration of living standards. In regard to this, textiles naturally assume an important role. The textile industry in this region was, before the war, the most important and the decline in its capacity has been one of the serious factors which has contributed to the decline in living standards. The requirements in this respect vary between countries. In India the problem is one of replacement and repairs of the overworked textile machinery. In China the main need would appear to be the supply of raw cotton and restoration of its spindleage.

Another important reconstruction need is the availability of coal and other sources of power. The destruction of coal mines apart, the restoration of coal mines requires some capital equipment and replacement of machinery and parts. Coal has been an important lack in several countries in the region. Certain countries have plans for increasing hydroelectric and other forms of power, but all these require capital equipment which cannot be secured without either increased supplies of foreign exchange or foreign loans.

Thus the serious shortage of foreign exchange not only impairs the ability to reconstruct but also raises difficulties in the importation of necessary raw materials and consumers' goods. Rehabilitation of export industries will, of course, greatly ease the situation but for most countries the need for foreign loans is urgent.

The survey has in several parts brought out the importance of developing technical personnel. Although this has been dealt with separately, this is the basic requirement which requires to be thoroughly examined.

Finally, there has been so little knowledge among the individual countries within the region of each other's needs and programs of reconstruction. The pooling of such knowledge and expedients is not only desirable in itself but will also enable the countries within the region to know more precisely how far their needs can be met from among themselves. There is undoubtedly scope for regional cooperation in various fields, including, perhaps, even an interchange of some quantity of capital goods.

B. Summary of proposals and recommendations

The preceding paragraphs very briefly describe the general situation as it now exists. The account of conditions in the separate countries made in the body of the report is sufficient to bring home the gravity of the problems with which they separately and collectively have to cope and to draw attention to variations from the general picture as they occur from area to area. For Ceylon, China, India, Malaya, and Singapore, Indonesia, and the Philippine Republic, separate country studies have been prepared and appear as annexes to this report. In these the problems of reconstruction are considered in greater detail.

This paper, and the above country studies, endeavor to describe and analyse the situation as it now exists. But it is a situation subject to continuous change. It is of great importance to be informed on the changes which occur and on the steps taken to meet them. Hence it is recommended in the report on functions and methods of ECAFE (doc. E/CN., November 1938) that the executive secretary publish an annual economic survey of ECAFE countries, which will deal with economic conditions within the region, together with brief reports on the activities of ECAFE, on the results of investigations, and on significant reconstruction programs and policies.

Certain proposals and recommendations have been made in the report. For convenience of reference these are now recapitulated.

The proposals are concerned with activities which may be undertaken by the Secretariat. They include the following:

- (i) An examination of the economic effects likely to result from the changes in the relationship between Japan and Korea, Formosa and Manchuria.
- (ii) Reports, from time to time, on economic developments in Japan, in their bearing on the welfare of the whole region.
- (iii) A study of the economic significance for the region of the development of substitutes.
- (iv) The study of those activities of UNRRA which are of special importance to the problem of agricultural reconstruction.

(v) A study, in consultation with the International Monetary Fund, of the extent of shortages of foreign exchange, the causes of such shortages, and the means which might be taken to remedy the situation.

The following recommendations are made:

I. That a working party be established at an early date to consider the problems of supplies of fertilizers, insecticides, fungicides, poisons, and veterinary requirements; and that its terms of reference should include the following:

1. Consideration of—
 - (a) The requirements of the region.
 - (b) The extent to which these may be met within the region.
 - (c) The best means of augmenting supplies from within the region.
 - (d) The possibility of obtaining supplies from areas other than those within the region.

2. Consideration of the extent to which, in view of the requirements of the region and of the supply situation, it is desirable to establish a commodity board in respect of the above requisites, to augment supplies and assist in their allocation.

3. Consideration of the manner in which ECAFE may best cooperate with FAO in fulfillment of the above purposes.

II. That the attention of FAO be drawn to the desirability of examining the methods followed in countries throughout the region to increase the supply and improve the quality of agricultural tools and implements and machinery and equipment for irrigation, drainage, and river conservancy works.

III. That the executive secretary confer with the director-general of FAO with a view to arranging cooperation in the collection and dissemination of information relating to food production and supplies as they affect the region.

IV. That members be invited to report on reconstruction plans and programs in relation to food and agriculture and that the executive secretary be empowered, at his discretion, to call a conference of officials engaged in the task of reconstruction within the region, with a view to reporting on methods by which the production of food and other agricultural products may be most readily increased.

V. That ECAFE record its support of proposals to establish a regional fisheries council, and that the executive Secretary consult with the director-general of FAO as to the best means by which ECAFE can cooperate in the furtherance of the objectives of such a council.

VI. That working parties be established at an early date in respect of each of: (1) Transport, (2) fuel and power, (3) industry and materials, and that their terms of reference include the following:

- Consideration of:
- (a) The requirements of the countries within the region.
 - (b) The extent to which these may be met from within the region.
 - (c) The best means of augmenting production and supplies within the region.
 - (d) Possibilities of obtaining supplies of capital goods or necessary materials from areas other than within the region.

VII. That, in respect of the working party on industry and materials, prior attention be given to the position in relation to cotton and cotton textiles, and that the desirability of establishing a commodity board for cotton and cotton textiles be considered with a view to augmenting production and facilitating the distribution of supplies.

Mr. PEPPER. Mr. President, I have only this to add. What we propose to give China in the bill will be only temporary aid. This is what it is: 225,000 tons of wheat equivalent, 451,300 tons of

rice, 750,000 bales of cotton, 25,198,000 barrels of petroleum and petroleum products, 40,000 short tons of soluble phosphatic fertilizer, 42,100 short tons of nitrogenous fertilizer, 84,500,000 pounds of United States tobacco, 17,588 metric tons of lead, zinc, aluminum, brass, and copper, 115,373 metric tons of iron and steel.

Mr. President, in our European recovery program we are trying to get away from simple relief by getting Europe back on its economic feet. In other words, the ERP is a bill to help western Europe to help itself. We wanted to get away from the continual drain of more relief appropriations. Well, Mr. President, why is not the principle equally applicable to China? The China measure is good so far as it goes, if it is intended for the Chinese people and not a small government clique, but the tobacco provided in it will be smoked up. The cotton goods will pretty soon be used up. The fertilizer will be put into the ground and will be gone. The other things we propose to give under the measure will be exhausted in the next few months. But, Mr. President, China will still be an impoverished nation. Therefore I do not know of a nation in the world where democracy properly applied, where better fertilizer for the farmers, where better seed for agriculture, where more adequate farm equipment, where modern agricultural techniques, where marketing arrangements, and the other recommendations of the China-United States Mission and the Reconstruction Commission for Asia and the Far East, would bear more fruitful results than in China.

So I only wanted to say, Mr. President, that until we put into force an effective program of democracy in China, until we bring about land reform, until we give the peasant a chance to know what democracy is, until we give him better health than he has ever had, until we give him education that will give him the power to contribute real strength to his economy and his work, until we make him a democratic unit in the world and give him something to say about his own government and make his government respect his will, we will never be able to lift the Chinese people out of their internal strife, which is endangering their security, and perhaps ours today.

So, Mr. President, I give credit to the economic aspects of this program as far as it goes. But I should much prefer to see us take this as a bare beginning, and expand it until we will really help the Chinese people to help themselves out of their present poverty, and make them one of the great economic powers of the earth, as they are one of the great civilizations of the world.

I earnestly hope, therefore, that we are not going to try to rely upon military aid, to rescue China but that we intend to plant the seeds of democracy, and nourish them and cultivate them until there shall be in China in due course a great harvest of prosperity and democracy for that great and historic people.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and read the third time.

The PRESIDENT pro tempore. The question is, Shall the bill pass?

The bill S. 2393 was passed.

FEDERAL AID TO EDUCATION

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. What is the business now pending before the Senate?

The PRESIDENT pro tempore. The Senate reverts to consideration of Senate bill 472.

The Senate resumed the consideration of the bill (S. 472) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes.

RECESS

Mr. WHERRY. I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 18 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 31, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 30 (legislative day of March 29), 1948:

IN THE NAVY

Vice Adm. John L. Hall, Jr., United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Commandant of the Armed Forces Staff College, Norfolk, Va.

Admiral Charles M. Cooke, Jr., United States Navy, when retired, to be placed on the retired list of the Navy with the rank of admiral.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 30, 1948

The House met at 10 o'clock a. m.

Rt. Rev. Msgr. Fulton J. Sheen, professor of philosophy at the Catholic University of America, offered the following prayer:

One may pray to God that Congress may hear or one may speak to Congress that Congress may pray. We shall break the tradition and choose the latter.

Gentlemen of the Congress, you ought to pray to God now as never before:

First. Because, as Lincoln told us: "We have forgotten God; we have imagined in the deceitfulness of our hearts that all our blessings were produced by some superior power and wisdom of our own. It behooves us, then, to humble ourselves before the offended Power, to confess our national sins, and to pray for clemency and forgiveness."

Second. You ought to pray that God, the sovereign King of nations, who once